



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 99<sup>th</sup> CONGRESS, FIRST SESSION

## HOUSE OF REPRESENTATIVES—Friday, November 1, 1985

The House met at 11 a.m.  
The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember with appreciation, O God, those women and men whose dedication to their tasks and long hours of effort make a vital contribution to this institution. We are grateful that in complex and difficult issues there are people of talent who demonstrate their devotion to this assembly so that a measure of justice will prevail and the common good will be enhanced. May Your continued blessing be upon them and us all. Amen.

### THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. CRAIG. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CRAIG. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 270, nays 125, answered "present" 2, not voting 37 as follows:

[Roll No. 384]

YEAS—270

Ackerman	Applegate	Bedell
Akaka	Archer	Bellenson
Alexander	Aspin	Bennett
Anderson	Barnard	Berman
Andrews	Barnes	Bevill
Annuizio	Bateman	Boggs
Anthony	Bates	Boner (TN)

Bonior (MI)	Glickman	Mikulski	Stark	Towns	Wheat
Bonker	Gonzalez	Miller (CA)	Stokes	Trafficant	Whitley
Borski	Gordon	Miller (WA)	Stratton	Traxler	Whitten
Bosco	Gradison	Mineta	Studds	Udall	Wilson
Boucher	Gray (IL)	Moakley	Stump	Valentine	Wirth
Boxer	Gray (PA)	Mollohan	Sweeney	Vento	Wise
Breaux	Green	Montgomery	Swift	Visclosky	Wolpe
Brooks	Guarini	Moody	Synar	Volkmer	Wortley
Broomfield	Hall (OH)	Moore	Tallon	Walgren	Wyden
Brown (CA)	Hall, Ralph	Morrison (CT)	Tauzin	Watkins	Wyllie
Bruce	Hamilton	Mrazek	Thomas (GA)	Waxman	Yates
Bryant	Hammerschmidt	Murphy	Torres	Weaver	Yatron
Bustamante	Hartnett	Murtha	Torricelli	Weiss	Young (MO)
Byron	Hatcher	Myers			
Carper	Hawkins	Natcher			
Carr	Hayes	Nelson	Armey	Groberg	Quillen
Chappell	Hefner	Nowak	Bartlett	Gunderson	Regula
Clinger	Hefel	Oakar	Barton	Hendon	Ridge
Coelho	Henry	Oberstar	Bentley	Hiller	Roberts
Coleman (TX)	Hertel	Obey	Billirakis	Hunter	Roemer
Collins	Hillis	Olin	Bliley	Ireland	Rogers
Combest	Hopkins	Ortiz	Boehlert	Jacobs	Roth
Conte	Horton	Owens	Boulter	Kasich	Roukema
Conyers	Howard	Packard	Brown (CO)	Kindness	Rowland (CT)
Cooper	Hoyer	Panetta	Burton (IN)	Koibe	Schaefer
Coyne	Hubbard	Pease	Callahan	Kramer	Schroeder
Crockett	Huckaby	Pepper	Carney	Lagomarsino	Schulze
Daniel	Hughes	Perkins	Chandler	Latta	Sensenbrenner
Daschle	Hutto	Petri	Chapple	Leach (IA)	Shaw
Davis	Hyde	Pickle	Cheney	Lent	Shuster
de la Garza	Jeffords	Porter	Clay	Lewis (CA)	Sikorski
Dellums	Jenkins	Pursell	Coats	Lewis (FL)	Siljander
Derrick	Johnson	Rahall	Cobey	Lightfoot	Skeen
Dicks	Jones (NC)	Rangel	Coble	Lloyd	Slaughter
Dingell	Jones (TN)	Ray	Coleman (MO)	Loeffler	Smith, Denny
DioGuardi	Kanjorski	Reid	Coughlin	Lowery (CA)	(OR)
Dixon	Kaptur	Richardson	Courter	Lowry (WA)	Smith, Robert
Donnelly	Kastenmeier	Rinaldo	Craig	Lungren	(NH)
Dorgan (ND)	Kennelly	Ritter	Crane	Mack	Smith, Robert
Dowdy	Kildee	Robinson	Dannemeyer	Madigan	(OR)
Downey	Kleczka	Rodino	Daub	Martin (IL)	Solomon
Duncan	Kolter	Rose	DeLay	Martin (NY)	Spence
Durbin	Kostmayer	Rostenkowski	DeWine	McCain	Strang
Dwyer	LaFalce	Rowland (GA)	Dickinson	McCandless	Sundquist
Dyson	Lantos	Rudd	Dornan (CA)	McEwen	Swindall
Early	Leath (TX)	Russo	Dreier	McGrath	Tauke
Eckart (OH)	Lehman (CA)	Sabo	Edwards (OK)	McKernan	Taylor
Eckert (NY)	Lehman (FL)	Savage	Emerson	Michel	Thomas (CA)
Edgar	Leland	Saxton	Evans (IA)	Mitchell	Vander Jagt
Edwards (CA)	Levin (MI)	Scheuer	Fawell	Molinari	Walker
English	Levine (CA)	Schneider	Fiedler	Monson	Weber
Erdreich	Lipinski	Schumer	Fields	Moorhead	Whittaker
Evans (IL)	Livingston	Seiberling	Frenzel	Morrison (WA)	Wolf
Fascell	Lott	Sharp	Gallo	Nielson	Young (AK)
Fazio	Lujan	Shelby	Gekas	Oxley	Young (FL)
Feighan	Luken	Shumway	Gingrich	Parris	Zschau
Fish	Lundine	Sisisky	Goodling	Pashayan	
Flippo	MacKay	Skelton	Gregg	Penny	
Florio	Manton	Slattery			
Foglietta	Markey	Smith (FL)			
Ford (TN)	Martinez	Smith (IA)			
Fowler	Mavroules	Smith (NE)			
Frank	Mazzoli	Smith (NJ)			
Franklin	McCloskey	Snowe			
Frost	McCollum	Snyder			
Fuqua	McDade	Solarz			
Gaydos	McHugh	Spratt			
Gedensson	McKinney	St Germain			
Gephardt	McMillan	Staggers			
Gibbons	Mica	Stallings			

### NAYS—125

Armey	Groberg	Quillen
Bartlett	Gunderson	Regula
Barton	Hendon	Ridge
Bentley	Hiller	Roberts
Billirakis	Hunter	Roemer
Bliley	Ireland	Rogers
Boehlert	Jacobs	Roth
Boulter	Kasich	Roukema
Brown (CO)	Kindness	Rowland (CT)
Burton (IN)	Koibe	Schaefer
Callahan	Kramer	Schroeder
Carney	Lagomarsino	Schulze
Chandler	Latta	Sensenbrenner
Chapple	Leach (IA)	Shaw
Cheney	Lent	Shuster
Clay	Lewis (CA)	Sikorski
Coats	Lewis (FL)	Siljander
Cobey	Lightfoot	Skeen
Coble	Lloyd	Slaughter
Coleman (MO)	Loeffler	Smith, Denny
Coughlin	Lowery (CA)	(OR)
Courter	Lowry (WA)	Smith, Robert
Craig	Lungren	(NH)
Crane	Mack	Smith, Robert
Dannemeyer	Madigan	(OR)
Daub	Martin (IL)	Solomon
DeLay	Martin (NY)	Spence
DeWine	McCain	Strang
Dickinson	McCandless	Sundquist
Dornan (CA)	McEwen	Swindall
Dreier	McGrath	Tauke
Edwards (OK)	McKernan	Taylor
Emerson	Michel	Thomas (CA)
Evans (IA)	Mitchell	Vander Jagt
Fawell	Molinari	Walker
Fiedler	Monson	Weber
Fields	Moorhead	Whittaker
Frenzel	Morrison (WA)	Wolf
Gallo	Nielson	Young (AK)
Gekas	Oxley	Young (FL)
Gingrich	Parris	Zschau
Goodling	Pashayan	
Gregg	Penny	

### ANSWERED "PRESENT"—2

Dymally Long

### NOT VOTING—37

Addabbo	Broyhill	Garcia
Atkins	Burton (CA)	Gilman
AuCoin	Campbell	Hansen
Badham	Chapman	Holt
Bereuter	Darden	Jones (OK)
Blaggi	Foley	Kemp
Boland	Ford (MI)	Marlenee

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Matsui	O'Brien	Vucanovich
McCurdy	Price	Whitehurst
Meyers	Roe	Williams
Miller (OH)	Roybal	Wright
Neal	Stangeland	
Nichols	Stenholm	

□ 1110

So the Journal was approved.  
The result of the vote was announced as above recorded.

#### MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks announced that the Senate disagrees to the amendments of the House to the bill (S. 1570) "An act to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that act to volunteers, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HATCH, Mr. STAFFORD, Mr. NICKLES, Mr. KENNEDY, and Mr. METZENBAUM to be the conferees on the part of the Senate.

#### APPOINTMENT OF CONFEREES ON S. 1570, FAIR LABOR STANDARDS AMENDMENTS OF 1985

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1570) to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that act to volunteers and for other purposes, with the House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. HERTEL of Michigan). Is there objection to the request of the gentleman from California?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, may I ask, has this request been cleared with the minority?

Mr. HAWKINS. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from California.

Mr. HAWKINS. Yes; I have just spoken to the gentleman from Vermont [Mr. JEFFORDS], the ranking minority member on the other side.

This is simply a request for the appointment of conferees on a matter pertaining to the Fair Labor Standards Act as a result of the Garcia decision. There is no objection to this request that I know of.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the

gentleman from California? The Chair hears none and, without objection, appoints the following conferees: Messrs. HAWKINS, CLAY, MURPHY, WILLIAMS, JEFFORDS, PETRI, and BARTLETT.  
There was no objection.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair wishes to state to the Members that the Chair will take limited 1-minute until the conferees are ready to present their report.

#### TRACKING THE PARENTAGE OF THE GRAMM-RUDMAN BABY

(Mr. DURBIN asked and was given permission to address the House for 1 minute.)

Mr. DURBIN. Mr. Speaker, if a paternity suit was filed in the U.S. House on behalf of the Gramm-Rudman baby, I suspect that every Republican Member would boldly assert his political manhood. But if this Gramm-Rudman baby matures from a blessed public relations event into an adolescent approach to resolving our Nation's fiscal crisis, I suspect the paternal pride may diminish.

If Congress comes to realize that Gramm-Rudman will deepen a future recession or that we have left a shameful loophole for the President to continue to fatten the military budget while deserving Americans and Medicare starve, or if Congress surrenders its constitutional powers to the President without any protection, then many of today's congressional fathers of Gramm-Rudman may demand a belated blood test.

The Gramm-Latta infant grew into a lumbering oaf that has given us the highest budget deficits and the largest trade deficit in the history of the Nation. What can we expect of this wonderchild sired by the same parents?

Mr. Speaker, in order to keep Gramm-Rudman from becoming an orphan when it takes its first step, the House should have the good sense to make the critically necessary changes included in the Democratic alternative.

#### SANDINISTAS CONTINUE SUPPRESSIVE MEASURES AGAINST THE CHURCH IN NICARAGUA

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, Monsignor Carballo, the Nicaraguan priest who is spokesman for the Catholic curia and director of Radio Catolico, sent me a letter which I received yesterday. He asked me to "please publicize our dramatic situa-

tion" and the efforts of the church in Nicaragua to regain its property and its right to spread the Word of God.

Father Carballo's plea comes following the Communist government's suppression of civil liberties and human rights in Nicaragua and the seizure of the new biweekly church newspaper "Iglesia."

Other Sandinista activities reported in the last few days include a ban against Cardinal Obando y Bravo from officiating at an outdoor mass in a northern city of Nicaragua and the raid on the national headquarters of the Social Christian-oriented Nicaraguan Workers Federation and the arrest of three of its leaders.

These attacks against two leading Nicaraguan institutions demand the condemnation of all who seek protection for human rights and the dignity of man. These attacks further demonstrate the completely totalitarian nature of the Sandinista Communist government.

#### DEMOCRATIC ALTERNATIVE PREFERABLE

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute.)

Mr. RICHARDSON. Mr. Speaker, the House amendment would take effect immediately—calling for serious additional deficit reduction in 1986. The Gramm-Rudman deficit target would not require additional action in 1986—forcing deep cuts to take place after, rather than before the 1986 elections.

Gramm-Rudman is a macroeconomic nightmare—it guarantees deeper and longer recessions. Deficit targets and automatic spending cuts would remain in effect even if the economy goes into a recession, assuring that a mild recession would spiral and continue on and on. Under Gramm-Rudman, a mild recession could get out of control and result in a 15-percent unemployment rate. The House substitute would adjust deficit targets and automatic spending reductions if the economy turns sour.

The House amendment guarantees that the Pentagon will bear its fair share of the spending cuts. The Senate and the White House disagree about how much Gramm-Rudman would cut Defense. Under the House amendment, there is no ambiguity—if the deficit exceeds the maximum deficit amount by \$10 billion or more, at least half of any automatic spending cuts will come from the Pentagon. This is consistent with the Senate Republican assumption about Defense's share.

Gramm-Rudman exposes Medicare and other domestic programs to additional cuts to reduce the Pentagon's share of spending cuts.



The White House argues that virtually no defense contracts will be cut, the Senate argues that \$75 billion out of \$85 billion of existing contracts will be cut. The House amendments call for cutting new budget authority so that OMB cannot find a loophole to let the Pentagon off the hook.

Under the House amendment automatic cuts would not be effective if the President fails to recommend defense cuts, as Secretary Weinberger suggests he might.

The House amendment gives CBO responsibility to forecast the deficit and estimate required spending reductions. Under Gramm-Rudman the President, through OMB, would be able to determine whether the automatic spending reduction trigger would be pulled and how the cuts would be implemented. The House amendment requires that automatic spending cuts be across the board and applied in such a way that Congress and GAO can verify their uniformity.

The House amendment assures that the courts will be able to quickly review the constitutionality of this statute. If a court rules that CBO cannot have a role in this process, the House amendment would require a court to throw out the entire procedure so that OMB will not be left with complete control.

Gramm-Rudman leaves the President with discretion to choose which programs are covered and which are not. The House amendment spells these details out clearly.

Gramm-Rudman offers no protection for AFDC, Medicaid, food stamps, or the other key low-income programs. The House exempts or minimizes the impact on the most critical low-income programs.

By delaying extension of the debt ceiling the Gramm-Rudman amendment has cost the Social Security Trust Fund millions of dollars. The House amendment would completely restore funds robbed from the trust fund to finance the Government during the delay.

Under Gramm-Rudman, the Secretary of Agriculture could reduce target prices and loan rates to meet deficit reduction targets. Under the House amendment, the Secretary would not have this discretion.

The Democratic alternative protects veterans—Gramm-Rudman launches an assault on the 56 million veterans by making them eligible for massive automatic across-the-board cuts. This is unfair.

Under the Democratic alternative, we balance the budget earlier and more comprehensively, but fairly. Under our plan, budget decisions stay with the American people, through their Representatives in Congress, rather than giving that tremendous power to unelected, faceless bureau-

crats at the Office of Management and Budget.

Let us do the right thing today.

□ 1120

#### LIBERAL VOTE IS FOR ROSTENKOWSKI AMENDMENT, CONSERVATIVE BALANCED BUDGET IS FOR MICHEL AMENDMENT

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, lo and behold, we have just heard of a Democratic plan. For the last 3 weeks we have been struggling in the game of brinksmanship, trying to produce a document that would ultimately bring this Government to a balanced budget by 1991.

With the wringing of hands and the sweating of brows, there has been no plan from liberals of this body whose desire is to circumvent the ability to reduce spending. They want to continue to spend and spend and spend again.

Let me quote from the CONGRESSIONAL RECORD, our majority leader, the gentleman from Texas [Mr. WRIGHT]:

If we believe in a balanced budget, if we believe that it is dishonest and unfair to pile up for an indefinite future the debts to the tune of \$200 billion a year for things that we are wearing and using in our lifetimes, then we will make a modest start. Let us begin the process.

Mr. Speaker, the process begins today. A liberal vote is for the Rostenkowski amendment; a conservative balanced budget vote is for the Michel amendment.

#### ADVANTAGES OF HOUSE ALTERNATIVE TO GRAMM-RUDMAN

(Mr. PENNY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENNY. Mr. Speaker, later today we will have the opportunity to consider and vote on a House alternative to the Gramm-Rudman balanced budget plan. There are several advantages to the House alternative.

First of all, it will allow us to make reductions in the budget now, this year, rather than putting them off until next year, as under Gramm-Rudman.

Second, it provides for the Congressional Budget Office to make economic projections, rather than the politically motivated Office of Management and Budget.

Third, it requires the President to make across-the-board reductions in both defense and domestic programs, rather than picking and choosing, as could be possible under Gramm-Rudman.

Finally, it holds the promise of balancing the budget by 1990, rather than 1991 under Gramm-Rudman.

Neither of these budget plans is perfect. In my judgment, the House alternative is better.

#### VOTE NO ON ROSTENKOWSKI ALTERNATIVE; VOTE YES ON MICHEL ALTERNATIVE

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, we now have two alternatives to the Gramm-Rudman-Mack balanced budget amendment. The Democratic alternative is by Chairman Rostenkowski of the Ways and Means Committee. The Republican alternative is by the gentleman from Illinois [Mr. MICHEL], the minority leader.

Very briefly, the proposal of the gentleman from Illinois [Mr. Rostenkowski] excludes an additional 5 to 10 percent to nonsequestered funds, that is about \$93 billion. It requires that if sequestering does take place, at least 50 percent of that sequestering has to come from defense. It eliminates the OMB from setting recession targets.

On the other hand, Leader Michel's proposal lowers the deficit targets from \$180 billion to \$172 billion this year, clarifies what is controllable and what is not controllable, adds the GAO as kind of a disinterested third party on recession targets.

Mr. Speaker, I would urge that we vote no on the alternative of the gentleman from Illinois [Mr. Rostenkowski], and vote yes on the alternative of the gentleman from Illinois [Mr. MICHEL].

#### A RIVERBOAT GAMBLE

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLLOHAN. Mr. Speaker, if the results of the decisions we will make on the Gramm-Rudman budget proposal were not so important to so many people I could actually enjoy the irony of our situation here today.

Four years ago this administration pushed through Congress one of the more outlandish fiscal policies ever conceived. The President promised to balance the budget by slashing taxes, cutting spending for domestic discretionary programs, and dramatically increasing the Defense budget. The Republican leader in the other body at the time called it—generously in my view—a “riverboat gamble.” One of the centerpieces of that riverboat gamble was the Omnibus Reconciliation Act, which in one fell swoop slashed many important Government

programs and, equally important, re-defined congressional budget writing by removing any semblance of thoughtful, deliberative consideration from the process. Passage of that bill was legislating under cover of the night and it is largely responsible for the fiscal mess we are in today.

Now, how does the President propose to get us out of this mess? He asks us to pass Gramm-Rudman, a piece of legislation even more profound than the 1981 Reconciliation Act, but whose implications are even less certain. Surely, Mr. Speaker, we can learn from our mistakes.

#### THE PRESIDENT'S NEW ARMS CONTROL OFFER

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, I know there are many Members of the House who will join me today in commending President Reagan for his bold and flexible new arms control proposal. While most of the details are not yet available, this new offer is proof positive of the administration's deep commitment to making progress in this vital area. I know that the Soviets will seriously consider this offer. It is my hope that they will honestly meet the challenge of making real progress in arms reduction negotiations.

In responding to the Soviet's latest arms control plan, the United States offer calls for deep cuts, no first-strike advantage, and no cheating on signed arms control accords. Our new plan responds to the positive elements in the Soviet proposal that would reduce strategic nuclear arsenals by 50 percent. Overall, the administration's proposal calls for further significant reductions in order to move our two proposals closer together.

The administration is serious about this new detailed package. Soviet officials today have agreed to extend the current Geneva talks in order to discuss the proposal. This is not the first time that President Reagan has presented the Soviets with an arms reduction proposal. Let us hope that the positive movement on this issue on the Soviet side will move our negotiators forward.

We cannot deal with arms control in isolation, when other events between our nations foster a sense of suspicion.

I commend the President for his flexibility on this issue. I encourage him to continue this free exchange on arms control matters with Soviet officials. I trust that the Soviets will respond in kind.

#### GRAMM-RUDMAN IS COWARDLY EXERCISE IN POLITICAL BUCK-PASSING

(Mr. EVANS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Illinois. Mr. Speaker, this week President Reagan refused to let his Administrator of the Veterans' Administration testify before the House Veterans' Affairs Committee on what the Gramm-Rudman proposals would do to veterans' benefits.

I think I know why.

It's because Gramm-Rudman flies in the face of economic fairness. It forces further deep cuts in those programs which have already borne the brunt of Reaganomics—programs for veterans, the unemployed, the poor and middle class.

Since 1981, programs aimed at the poor have been slashed by 30 percent while the military budget has doubled. Yet domestic programs are the main target of Gramm-Rudman; weapons programs making up 38 percent of the military budget are exempt.

Gramm-Rudman is nothing more than another cowardly exercise in political buckpassing. The real causes of our deficit—tax breaks for the wealthy and for huge corporations and a weapons-system buying spree—are not addressed.

I urge my colleagues to reject Gramm-Rudman. It's another dose of the same medicine that got us here in the first place.

#### JAPANESE DEFENSE SPENDING

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, yesterday Washington papers carried the story that Japanese Prime Minister Nakasone had bowed to opposition party pressure and pledged to keep Japanese defense spending within 1 percent of GNP.

You may recall that just last month Mr. Nakasone unveiled his 5-year military program that would break the 1 percent ceiling and allocate 1.04 percent for defense spending. While this increase could hardly be hailed as approaching Japan's fair share of free world security costs, at least it was a step in the right direction.

Now we learn that Mr. Nakasone has backed off and yielded to those who would continue Japan's free military ride. In fact, the Prime Minister has pledged that the defense budget for fiscal year 1986 will be less than 1 percent of GNP.

Mr. Speaker, what more will we permit from Japan before we act to inject fairness into free world responsibility? If the United States had spent only 1 percent of its GNP for defense

over the past 10 years, we would have had \$1.5 trillion to invest in our industrial modernization. In 1985 alone, \$199 billion would have been available for ailing American industries.

While America alone is at the watch around the world, Japan shirks its free world security responsibilities and engages in increasingly damaging trade relations. Newsweek magazine reported this week that Japanese "success" is threatening the economy of the entire world, and that without an immediate and genuine change by Japan, the world financial system could well collapse, less developed debtor nations could plunge into default and chaos, and the world could slide into recession.

Japan has sent us the signal that they have no intention of changing. It is time for America to act.

#### GRAMM-RUDMAN—A HOAX AND A FRAUD

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, we should be embarrassed by the serious consideration that we are giving to the Gramm-Rudman proposal. It is the most ill-conceived, economically absurd piece of legislation to come before this body in my 3 years of service here.

We are not engaging in deficit reduction. We are engaging in political theater.

Gramm-Rudman is a hoax and a fraud. The Republican version of this bill allows a deficit for next year that is larger than that conferred in the budget we passed earlier this year.

In drafting it this way, its Republican authors are saying that while they want to cut the deficit, they do not want to be responsible to the electorate when the budget ax falls, and make no mistake about it, the ax will fall. It will fall on the poor, the elderly, the children, women, black, Hispanics, and disabled Americans.

It will not fall upon the wealthy corporations who pay no taxes. It will not fall upon the generals in the Pentagon and it will not fall upon the special interests to whom Ronald Reagan is so beholden.

This legislation is a farce and we should have the courage to reject it.

#### PRESENTATION OF FUNDS TO CHILDREN'S HOSPITAL FROM THE CONGRESSIONAL BASEBALL GAME

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)



Mr. CONTE. Mr. Speaker, with all the talk of deficit spending and fiscal irresponsibility reverberating through these Halls, I would like to start this day by giving some fiscal good news to the Congress.

Yesterday, Congressman CHAPPELL and I presented a check for \$6,000 in the name of Congress to Washington's Children's Hospital. These are the proceeds of the congressional baseball game. We had one fine game and a fun-filled pregame party for the money that the Congressmen, Congresswomen, and their staffs and supporters put up for this annual charity baseball game.

I certainly am proud of our Republican and Democrat team players and their supporters who have taken in funds, giving a good deal for the dollars we received and gave something in return to Children's Hospital.

#### TIME TO DIG OUT FACTS ON MEDVID AFFAIR

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, the Attorney General has now asked for an investigation into the way INS personnel responded when seaman Miroslav Medvid jumped a Soviet ship. That investigation is very much in order. There are several serious questions which need to be answered, including what did that seaman actually say to the INS translator over the telephone and why did INS not await more deliberate face-to-face discussions?

Also, when Medvid tried to leave the ship upon which the INS was returning him to the Soviet ship, why did INS personnel persist?

As I understand it, the Soviet ship to which Medvid has been returned is still in U.S. waters. It is critical that this review of the Medvid affair be concluded promptly, in the event that it develops information which necessitates further action by the United States before that ship is gone.

This is not the time for grandstanding. It is time to dig out all the facts promptly.

#### INS SHOULD RELEASE IRENE PADOCH DEPOSITION

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, last weekend at the Ukrainian-American resort of Sojuzilka in the Catskill Mountains, four immigration agents paid a visit to Mrs. Irene Padoch and took a deposition. That deposition resulted in a six-page document of her interview with Miroslav Medvid, the

Ukrainian seaman who had jumped off a Soviet ship.

That document gives the only realistic picture of Mr. Medvid's actions in that later interviews were conducted after he had been back on the ship for more than 24 hours. I spoke with Irene Padoch yesterday, and so did a number of others, and it is her conclusion that Mr. Medvid absolutely, positively wanted to stay in the United States and not to return to the Soviet Union.

INS is variously denying the existence of the document or refusing to provide those documents to those of us who are requesting it. I call upon the INS to make that document public. It bears heavily on whether or not we should allow Miroslav Medvid to be taken back to the Soviet Union.

How can the U.S. Government purport to protect world freedom at the upcoming summit when it cannot provide freedom to one desperate, lonely individual seeking freedom on our soil.

#### TIME IS RUNNING OUT ON TRADE DEFICIT

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, the headlines posted at the end of the month is all too familiar, and this morning's newspaper is no exception.

"The Trade Deficit Surges in September." The Secretary of Commerce tells us that this month we have had the highest trade deficit ever reported, \$15.5 billion for 1 month. The greatest deficit comes this time from the manufacturing sector, where our Nation has maintained a surplus as early as 1981. Since the surge is in imports, the economists tell us that our Nation's growth is likely to fall 2.2 percent in the last quarter.

The trade problem is serious and there is nothing to indicate that there will be any improvement in the near future. Mr. Speaker, the time has come for Congress and the administration to place trade higher on our political agendas. The House Democratic Task Force recently reported out a trade package, as have the Republicans. The administration has announced its new trade offensive, but few people believe that it will bring early or significant results.

But these proposals will not bring down the trade deficit nor effectively deal with our trade problems until Congress acts. Time is running out for Congress to avoid protectionist actions.

#### A VOTE TO DO NOTHING ON BUDGET CUTTING

(Mrs. MARTIN of Illinois asked and was given permission to address the

House for 1 minute and to revise and extend her remarks.)

Mrs. MARTIN of Illinois. Mr. Speaker, this is not the appropriate time to talk about the newfound budget cutters and their bill or what it does to agriculture, what it does to national security, or its potential unconstitutionality. Having heard from so many of my colleagues this morning about how necessary it is to cut the budget, perhaps it would be wise for this side of the aisle to understand that our first vote from these same budget cutters will be a vote to do nothing, a vote not to recede. In other words, the same people getting up to say how they now have decided to cut the budget really want to vote first on not having to do anything.

I think that says more about what this argument is about today than anything else. So I ask my colleagues to ignore that ludicrous vote and then I would hope on both sides to ignore this hastily contrived package of inadequacies and vote for the Michel package so we can get to work, which is what we were sent here to do.

□ 1145

#### RELINQUISHING OUR LEGISLATIVE POWERS

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, 2,000 years ago the Roman Senate, in a confession of its inability to get its act together, handed the powers of the Roman Republic, the legislative powers, over to a dictator. That is what we are going to be asked to do today. If anyone has any doubt as to the aptness of this analogy, I invite their attention to the remarks of James Madison in the Federalist Papers, who said that the concentration of all powers in the hands of one man is the very definition of tyranny.

That is the most basic issue posed by Gramm-Rudman. And may I say that one of the reasons we are at this point is because of Gramm-Latta, combined with Kemp-Roth; shouldn't that tell us something? If we pass Gramm-Rudman, we will be effectively transferring the legislative powers of the Congress of the United States to the President.

I would rather saddle my children with the burden of paying off another \$400 billion of this terrible deficit than to give away their birthright, the democracy that was created by the Founding Fathers. Let us think about that. Have we got the guts to raise taxes? Have we got the guts to repeal Kemp-Roth? Have we the guts to risk the wrath of the voters to save the one institution that gives them control of their Government? If so, we do not

need Gramm-Rudman or anything else like it to get the deficit under control.

#### USING SNIFFER DOGS TO DETECT EXPLOSIVES

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, a few weeks ago, two terrorists were arrested at the Rome Airport. They were Iraqi terrorists, and they had in the false bottom of a suitcase 17 pounds of plastic explosives. They said these explosives were to be used to kill Americans and Israelis.

They discovered these plastic explosives by using sniffer dogs.

I introduced legislation to mandate that we use sniffer dogs here in the United States, because I have been told that you can take 5 or 10 pounds of plastic explosives through any metal detector with a small detonating device that is undetectable, and you can blow up a plane in flight.

My bill has been pending a few weeks, and I need cosponsors. I have told many of my colleagues that something is going to happen here in the United States if we do not take some action.

Two days ago, at the Dallas/Fort Worth Airport, a bomb blew up in the belly of a plane.

My colleagues, you and I fly back and forth to our districts every week, and I am telling you, you cannot detect plastic explosives going through a metal detector. We had better pass some legislation that can provide some protection for people on airplanes, because some terrorist is going to get on that plane with a plastic explosive and is going to kill a lot of innocent people because we have not acted.

#### LOUISIANA HURRICANE DISASTER

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, I have just returned from the flood disaster area of south Louisiana, and I want to use this podium to appeal to the President of the United States to expedite the declaration of emergency disaster relief for that section of this country.

Mr. Speaker, what I saw saddened and impressed me. I saw up to 40,000 homes and businesses underwater, not nice fresh water, but saltwater, saltwater that corrodes and destroys automobiles and appliances and home structures. I say families struggling to recover with sanitary systems that will not be working for weeks, and homes with as much as 7 feet of water inside the building.

Mr. Speaker, to illustrate how bad it is, I saw the hurricane evacuation route in South Lafourche at 5 feet under water, and that is the route that is supposed to take people out.

I saw an offshore industry woefully unprepared to evacuate the men and women who work offshore because we still do not require standby vessels for that purpose.

Mr. Speaker, I saw a horrible disaster, and I also saw what Louisiana is going to look like in a few short years if we do not do something about protecting our shoreline and our barrier islands soon.

Mr. Speaker, what I saw was sad.

But Mr. Speaker, I also saw that the Sun is shining today in Louisiana, but she is hurting, and she is suffering today, and I appeal to the President for help. We need it badly.

#### AID TO ETHIOPIA

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, Ethiopia's Foreign Minister, Wolde, in a press release written for the Kremlin today blasted the United States for using food to mettle in Ethiopia's internal affairs.

The American people have generously given 480,000 metric tons of food to the starving people in Ethiopia.

At the same time, that Government used \$200 million to celebrate its 10th anniversary, and at the same time purchased 480,000 bottles of scotch.

These heroes today are saying that the United States is meddling in Ethiopia's internal affairs. That Government has done everything it possibly has been able to do to keep its people in repression, and I think it is time for the American people to know what the facts are of what is going on in Ethiopia.

Talk about biting the hand that feeds you, this is a prime example.

I think that we in this country, in being generous to other nations, I think we want to help other people, as is rightfully a thing we should be doing, but at the same time, we want to take a look at the actions of those governments also.

#### BALANCED BUDGETVILLE: YOU CAN'T GET THERE FROM HERE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the President's infatuation with Gramm-Rudman reminds me of the gentleman who, lost in Vermont, pulls over and asks a farmer the best way to get to East Bristol. The farmer looks

at the driver, puffs on his pipe, and says, "You can't get there from here."

The President is lost. In fact he's been driving in circles for 5 years. He's running low on gas. He suddenly decides he wants to get to Balanced Budgetville—why he got this in his head all of a sudden is not clear. He's been merrily driving around for 5 years, now the tanks on empty. He's waving this Gramm-Rudman map in our faces. Says he bought it from a traveling nostrum vendor. Wants to go to Balanced Budgetville real bad, or so he says.

Congress ought to look the President in the eye and tell him, "Your Gramm-Rudman map is no good. You can't get there from here."

#### DEATH OF THE REPUBLIC

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to extend his remarks.)

Mr. WEAVER. Mr. Speaker, there may have been a moment when the Roman Republic became the Empire, when the Senate ceased to rule and the Caesars came to dominate the Roman State, but it was the increasing responsibilities of world power and a series of wars that brought the Caesars lurching into power in that ancient time.

So it is with our great Nation. Our Republic with its constitutional freedoms and representational democracy has long flourished, but our own age of Caesars has emerged from the same roots which caused the downfall of the Roman Republic. Now a moment has come when all is visible, when the needs of empire are seen to overtake the plodding, discursive ways of democracy. The House votes today on legislation that stamps upon our Nation the irrevocable seal of Caesar.

This legislation is a confession by this body that we no longer have the will to rule. We are abdicating our responsibility, yielding our powers willingly to the Presidential office and making that office the seat of Caesar. This body, this once mighty House of Representatives, is filled with fine and strong men and women of high intelligence and great purpose. It is not the fault of the individual Members. Indeed, we all believe so deeply in our own purposes that we are unable to unite to resolve the issues of the times, the responsibilities that great power and wealth have brought upon us. Only Caesar, for good or ill, can provide that unity of action.

It does not much matter what words are in the resolution we vote on today. We argue those words, some better, some worse, but the resolution stands: It is our funeral sermon for the death of our Republic. A tear slips down my face. My heart is heavy with pain and anguish. Nothing is to be done. We go



to our fate with full knowledge of what we do. I sense this in the Members. They know what our vote today means. I see my colleagues talking in little groups, telling each other with almost feverish intensity what phrase or provision might help, might hinder. But underneath this heated talk is a sadness seen on every face.

The moment has come when we admit what has already happened to our great Republic. I for one will cast a lonely vote against it all. I do so knowing my action is futile and forlorn. It helps me, though, to cover my anguish through the final hours of our democracy. We will remain strong. In many ways we will remain free. But as with the Roman Republic, the roots of our Republic have withered.

### BALANCED BUDGET

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, we heard a lot of ranting and raving from the other side of the aisle about the management of the budget. However, somewhere along the line, some of my colleagues on the other side seem to have lost sight of history.

The last President to balance the budget was Lyndon Johnson, a Democrat. During the last 40 years following World War II, there have been 20 years of Democratic administrations and 20 years of Republican administrations.

During that time, Democratic administrations have produced three times more budget surplus dollars than Republicans and during that time Republican administrations have produced three times more budget deficit dollars than Democrats. That is not much of a record for the Republican side to crow about.

I will confess that Republicans are better than Democrats at managing public relations. But if we let the numbers do the talking, the American people will reach a different conclusion about their management of public money.

#### PRESIDENTIAL DEFICIT/SURPLUS MAKERS: FISCAL YEARS 1946-85

A review of Fiscal Years 1946-85 shows the following:

- A. 20 Democratic Presidential budget years;
- B. 20 Republican Presidential budget years;
- C. 5 Democratic Presidential budget surplus years;
- D. 3 Republican Presidential budget surplus years;
- E. 15 Democratic Presidential budget deficit years; and
- F. 17 Republican Presidential budget deficit years.

On a total budget deficit basis, including both off and on-budget deficit totals, and

adjusting for the surplus years, the data show:

A. The cumulative total Democratic Presidential budget deficit in these years was \$309.4 billion, an annual average of \$15.5 billion, per year; and,

B. The cumulative total Republican Presidential budget deficit in these years was \$997.9 billion, an annual average of \$49.9 billion.

Thus, the Republican cumulative, and average, deficit was 3.2 times larger than the Democratic cumulative, and average, deficit. The cumulative Democratic surplus was \$26.6 billion, an average of \$5.3 billion. The cumulative Republican surplus was \$7.6 billion, an annual average of \$2.5 billion.

(In billions of dollars)

Rank and Fiscal Year <sup>1</sup>	Budget Deficit		Presidents	
	Democrat	Republican	Democrat	Republican
1. 1985		\$211.9	Reagan	
2. 1983		207.8	Reagan	
3. 1984		185.3	Reagan	
4. 1982		127.9	Reagan	
5. 1981	78.9		Carter	
6. 1980	73.8		Carter	
7. 1976		73.7	Ford	
8. 1978	59.0		Carter	
9. 1977		53.6	Ford	
10. 1975		53.2	Nixon	
11. 1979	40.2		Carter	
12. 1968	25.3		Johnson	
13. 1972		23.4	Nixon	
14. 1971		23.0	Nixon	
15. 1946	15.9		Truman	
16. 1973		14.8	Nixon	
17. 1959		12.9	Eisenhower	
18. 1967	8.7		Johnson	
19. 1962	7.1		Kennedy	
20. 1953	6.5		Truman	
21. 1974		6.1	Nixon	
22. 1964	5.9		Kennedy	
23. 1963	4.8		Kennedy	
24. 1966	3.8		Johnson	
25. 1961		3.4	Eisenhower	
26. 1950	3.1		Truman	
27. 1955		3.0	Eisenhower	
28. 1958		2.9	Eisenhower	
29. 1970		2.8	Nixon	
30. 1965	1.6		Johnson	
31. 1952	1.5		Truman	
32. 1954		1.2	Eisenhower	
Budget surplus				
1. 1948	12.0		Truman	
2. 1951	6.9		Truman	
3. 1956		4.1	Eisenhower	
4. 1947	3.9		Truman	
5. 1957		3.2	Eisenhower	
6. 1969	3.2		Johnson	
7. 1949	0.6		Truman	
8. 1960		0.3	Eisenhower	

<sup>1</sup> The fiscal years are assigned to the Presidents serving when the budget was submitted and when the fiscal year began.

Data Sources: Economic Report of the President, February 1985, and Final Monthly Treasury Statement of Receipts and Outlays of the United States Government, Department of the Treasury.

### THE FEDERAL DEFICIT

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revised and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, November 1, 1985, and today's efforts to force the President and the Congress to come to grips with the record level Federal deficit are turning into the usual battle.

Today the partisan rhetoric flows. However, most Americans don't give a post-Halloween hoot which deficit reduction plan passes this House today. Most Americans do want Federal deficit spending stopped.

The Democrats say: "Vote the Rosentkowski alternative."

The Republicans say: "Vote the Gramm-Rudman-Hollings plan."

There is growing dismay on the part of my constituents and I'm certain of many other Americans about the warring and bickering between the two major political parties over reducing the deficit, while at the same time this deficit is growing and growing, and the debt limit must be increased to over \$2 trillion this weekend before we can go home. Some of my constituents in western Kentucky have a difficult time understanding just how much \$2 trillion is. When told that it's a 2 followed by 12 zeros, they shake their heads in dismay and disbelief.

Western Kentuckians and other Americans, Mr. Speaker, are sick and tired of congressional inaction to lower Federal spending and reduce the Federal deficit. Spending and the deficit are indeed two major problems that are affecting each of our lives.

I say the time has come to act, and to act with the best interests of our great Nation.

We must come to an agreement upon spending policies. We must put an end to the ever-spiraling increases. We must change our ways.

### ADVERSE EFFECTS OF GRAMM/ RUDMAN

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, I rise today to express some very deep concern about the Gramm/Rudman proposal that is being discussed across the country these days.

As my colleagues know, earlier this year I joined with the gentleman from Texas and the gentleman from Florida in offering to this body a plan that would have required a balanced budget by 1990. It gave us all the opportunity to make the tough, real choices now, and I think the American people should know that there were 56 Members of this body that voted for that plan. And I think that it should be noted that the President opposed it and a lot of the legislative leadership in this town opposed it.

But the fact remains if we are going to deal with the deficit problem, those kinds of tough choices are going to have to be made.

As we decide on Gramm-Rudman, though, I hope my colleagues will focus on some very serious questions about how this plan would affect the farm program, how it will affect highway contractors, how it will affect veterans. What effect is it going to have on the readiness and maintenance of our defense forces in this country? If the cuts come, they are going to hit that part of the Pentagon budget, and I have serious concerns about what

effect these cuts would have on our Nation's defense.

I think we need to keep these things in mind as we search for a bipartisan solution to the deficit problem.

#### REAGAN ADMINISTRATION DOUBLE STANDARD ON MONETARY POLICY

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATKINS. Mr. Speaker, I rise today to point out a world-wide monetary double standard being fostered by Reagan-Baker economic concepts. On the one hand, they say that the Third World's floundering debtor countries should, in words in the October 21 issue of *Time* magazine, "solve their [financial] problems by adopting austerity measures to pay off their staggering loans."

The new U.S. approach recognizes, *Time* states, that borrowers will remain on the brink of collapse unless they can rev up their economic growth. The IMF managing director says, "The debtor countries must grow out of debt." Therefore Reagan policy is to increase the infusion of fresh capital to other nations.

On the other hand, they are following policies which urged the elimination of such programs as the Small Business Administration, the Economic Development Administration and other domestic programs which are designed to help the U.S. citizens who also need assistance to ignite economic, industrial and job growth.

At the time the President and his Treasury Secretary James Baker are working hard on a U.S. tax reform package which analysts state would force more U.S. industries overseas and further cause deterioration of the U.S. job market while increasing imports. Plus eliminating the programs listed above which were designed to help bolster the U.S. economy.

Baker's plan is an abrupt change from earlier Reagan policy under Donald Regan which preferred a do-nothing approach, leaving monetary affairs in the hands of private bankers and foreign countries. Baker is urging a program he hopes will increase investment by an infusion of fresh capital at a time when Reagan-Baker push for tax reforms which discourages U.S. investment.

Mr. Speaker, I ask can they have it both ways? On the one hand they drastically reduce investment capital for economic growth in the Nation while at the same time encourage and increase investment capital in foreign nations.

□ 1200

#### The 1981 TAX CUT: A BIG MISTAKE

(Mr. BENNETT asked and was given permission to address the House for 1 minute.)

Mr. BENNETT. Mr. Speaker, probably the worst error our country ever made from a fiscal standpoint was the 1981 tax cut. We all realize that now, we are paying a heavy penalty for it, we ought not to make another mistake in that same direction. We ought to decide to go ahead and take care of the deficit we have now by passing a measure which we can all pass to acknowledge the fact that we have a \$2 trillion national debt; and then we ought to methodically do what we need to do in cutting down on the cost of Government.

We also ought to approach the question of taxes. There are tremendous sums of money that come into the great corporations of this country today, billions of dollars of net income, that pay no taxes whatever.

There are wealthy people making more than \$1 million a year paying absolutely no taxes whatsoever.

Now, the President has a proposal he calls a minimum tax bill, but his minimum tax bill will not get these very rich people; the big corporations will still escape being taxed on billions of dollars of income. Millionaires, multi-millionaires, people with million-dollar incomes per year will still not have to pay any income tax whatsoever.

So we ought to get on with making these necessary reforms in taxes that make sense and not bicker about these little tiny things, and get our country in better fiscal shape.

#### NEW YORK TIMES EDITORIAL RIGHT ON POINT

(Mr. BROOKS asked and was given permission to address the House for 1 minute and include extraneous matter.)

Mr. BROOKS. Mr. Speaker, I would like the attention of all the Members to the lead editorial in today's *New York Times*. Our task force on constitutional and balance of power issue, examined every one of the matters discussed in this editorial and found Gramm-Rudman to be just as the *New York Times* described it. I commend this editorial to the Members and commend the *New York Times* for its astute comments on Gramm-Rudman.

[From the *New York Times*, Nov. 1, 1985]

#### DEFICIT MAGIC: WORSE THAN NOTHING

The Senate and House are deadlocked over the wrong-headed Gramm-Rudman-Hollings scheme to wipe out the Federal deficit, but approval seems inevitable, maybe today. The Senate has passed it, the

President wants it and even members who strongly oppose the Administration's budget priorities support it. Resigned to its overwhelming popularity, they claim it's better than nothing. In fact, it's worse.

This mischievous bill promises a magic solution to the agony of cutting the Government's huge deficit: It orders annual reduction in six equal steps. If the President and Congress disagree along the way about how to make reductions, spending would be cut by statutory formula.

This scheme has overwhelming appeal because it appears to balance the budget. All who vote for it can say "we've done our job." On the contrary, they're ducking it. There are many reasons to vote against this bill, even to regard it with contempt; it represents conservative dogma rather than bipartisan discipline. Here are four.

It is bad policy. No one can know how much deficit will be appropriate to the economic conditions of each of the next six years. To legislate inflexible limits on Federal fiscal policy is obviously dangerous. To decree now that the budget will exactly balance in exactly six years is a pretentious joke. It won't.

It is unbalanced. In the likely event that the President and Congress disagree on how to cut the deficit, the required cuts would be achieved solely by reducing spending. There would be no help from higher revenues. Tax rates would be immune, and so would deductions, exemptions and all other special tax allowances. Last year, all these cost the Government \$100 billion more than national security.

Even the spending cuts are unbalanced. The bill wouldn't touch half the budget. Social Security is protected; likewise are most of the Pentagon's multi-year contracts. Incredibly, so are some farm subsidies—but not others. House Democrats would also exempt programs that aid the poor, a laudable concern that merely compounds the arbitrariness. All programs subject to automatic cuts would be treated alike. There would be no priorities.

The device is subject to easy White House manipulation. The President could force the automatic cuts by rejecting what Congress approves in the regular process of spending and tax bills. Or his budget office could trigger the cuts by exaggerating the estimated deficit. Moreover, budget officials would certify which programs are cuttable and which, because of long-term contracts, are not.

It is dubious law. The lawmaking power belongs to Congress, not to the President or to subordinate agencies of either branch. This bill gives the President the power, in effect, to legislate by repealing properly enacted appropriations. It also vests extraordinary authority in the Office of Management and Budget and the Congressional Budget Office, whose forecasts would be used to invoke automatic spending cuts.

No law is printed in indelible ink. Congress passed a law in 1978—even better than Gramm-Rudman-Hollings—promising a balanced budget in three years, not six. Two years later, Congress repealed it. Presto, no law, and no balanced budget. So much for promises.

There are reasons to be sad about what's happening now. One is that Congress elected to deal with urgent national problems, has failed to act constructively on this one. Another is that this Congress thinks it has.



# GRAMM-RUDMAN LEGISLATION TO CUT THE DEFICIT: NOT US, NOT NOW

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, there was a fellow in my small hometown who used to drink a little too much. He always pledged he was going to quit drinking, "first thing in the morning."

That is sort of what this Gramm-Rudman resolution is all about. Incredibly enough, if you read it closely, the Gramm-Rudman resolution technically allows for more spending this year, but would postpone the tough spending cuts until after the next election. It is like the fellow that pledged to quit drinking, but "wait until morning."

We are going to offer an amendment to Gramm-Rudman today, and that amendment will say, "If you want to do this job, roll up your sleeves and let's get it done. Let's do it now, and let's do it right."

As Representative DAVE OBEY said in a recent op-ed piece, the President asked in 1981: If not us, who? And if not now, when?

Well, Gramm-Rudman says "not us, not now."

We are going to offer some amendments that will give the membership the chance to say "Yes us, and yes now." Let us do this job and let us do it now and let us do it the right way.

If you do not vote for these amendments, you say you want a higher deficit this year by \$20 billion. That is the issue this afternoon.

## A SHOTGUN WEDDING

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in 1930 the poverty level in America was 50 percent; in 1980 it was 11 percent; with Gramm-Latta in 1985, it is 15 percent. What will it be in 1991 with Gramm-Rudman?

I am not particularly crazy about either of the deficit reduction plans that will be brought today before the House, but I will say this: Many people are worried, if they would vote against these measures they would be called special interest Congressmen.

Well, I have to say that I will not apologize for supporting senior citizens, poor children, food stamps and nutrition programs for our poor people, and I do not think we should apologize for it.

I think Members of this House do not really understand either of those reduction plans; they were hastily put together, and we have a shotgun wedding here today to try and resolve a

deficit plan that is bigger than any missile threat to America, and I do not think that is the way to legislate.

## A DEFICIT REDUCTION MECHANISM MUST HAVE TEETH

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker and my colleagues, in 1978 Congress adopted a law. That law said that we are going to balance the budget. We are going to balance the budget by 1981.

Well, 1981 came and went; the deficits remained, and the deficits have grown. I think it is clear that we need something with teeth, ladies and gentlemen. We need an enforcement mechanism that will work. Gramm-Rudman, for all of its deficiencies, has at least one positive feature: It has teeth, it has molars, bicuspid; it has got teeth.

The Democratic alternative that is going to be proposed today retains that feature, and I think it also improves considerably on several of the deficiencies of the Gramm-Rudman proposal.

We will speak today of pain, the kind of pain that serious budget deficit reduction will cause programs for housing, crime victims, children, defense and so forth. Let us remember, however, that there is a lot of pain out there that is caused by an out-of-control national debt of \$2 trillion: The pain of trade deficits for \$150 billion and the loss of 2 million American jobs since 1980. We can best fight that pain, ladies and gentlemen, by taking some tough medicine today: The Democratic alternative is that medicine.

## A MAJOR CRIME WITHOUT A CRIMINAL

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, the Department of Justice seems to have brought about another of its continuing series of miracles in modern American jurisprudence—a major crime without a criminal.

Rockwell International Corp., which had \$6.2 billion in defense contracts last year, has been allowed to plea bargain away criminal charges of fraudulently billing the Government for \$300,000.

The maximum fine that the company can receive is \$200,000, which is, as usual, less than the amount ripped off from the Government. The company also agreed to make restitution and pay the cost of the investigation.

Although the Government alleges, and the company admits by its guilty

plea, that at least six employees falsified time cards on a \$3.6 million contract, no individuals were charged. This case thus takes place along side its felonious siblings—Bank of Boston, E.F. Hutton, Sperry, and General Electric, in which companies miraculously scheme, formulate, and carry out criminal activities without any individuals being criminally involved.

This case is even more disturbing in that Rockwell has apparently been charged with similar overcharging at least twice in recent years, but spared a trip to the woodshed, most recently in 1982, when the company was spared criminal prosecution and debarment from additional Pentagon contracts upon its promise not to repeat the offense—the exact offense that the Justice Department has this week plea bargained away.

Regrettably, the disturbing trend in which the rich and well-connected have a corporation to hide behind are allowed to go free if they return a piece of what they have stolen, while the ordinary citizen has the book thrown at him, finds yet another shameful example.

## THE SPENDERS AND THE BUILDERS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, when it comes to deciding economic matters in this House, there are essentially two groups that we fall into in this body: The spenders and the builders. The spenders are those who believe that Government itself can be the solution to the problems. The builders are people who believe that society offers the kind of solutions that go beyond Government.

What we have today is two alternatives before us: One brought to you by the spenders, one brought to you by the builders. What we are saying, what you are hearing from the Democrats is: Trust the spenders. What we are asking you to do is: Trust the builders.

## FIFTY PERCENT CUT IN BUTTER GIVEAWAYS TO POOR HURTS DISADVANTAGED UNFAIRLY

(Mr. WILSON asked and was given permission to address the House for 1 minute.)

Mr. WILSON. Mr. Speaker, Members of the House, there is a situation that I think most of us may not know about that has occurred in October, in which the butter allotment from the commodity program for the very poorest of the poor in our country has been cut by 50 percent.

Now, this has been done at the instigation of the margarine lobby, which

maintains that distributing surplus butter which we have stored all over the country and have to throw away, that surplus butter given to people on AFDC and other extreme poverty programs is hurting the sale of margarine.

I submit that this is impossible; that the people who receive these commodities are not, that they are being improperly injured, and more than that, that the United States is going to throw butter away that we are paying for, that is needed by the poor people of this country.

#### THE CHOICE IS SIMPLE

(Mr. GINGRICH asked and was given permission to address the House for 1 minute.)

Mr. GINGRICH. Mr. Speaker, let me just say that we are going to hear a lot of rhetoric today, and that there are going to be a lot of efforts to explain not only how complicated Gramm-Rudman is, but how complicated the dramatically more recently drafted Rostenkowski amendments are.

I think that all of us ought to recognize that we are, in the end, going to get a straight up-and-down vote on Gramm-Rudman. If we do not get one today, then I suspect the Senate will not agree to the Rostenkowski amendments, and we will be back here next week in the same place.

When we finally pass the Gramm-Rudman, which I think we will do eventually, it is going to be complicated, and those who are going to argue that we face a lot of uncharted waters are right; but the choice is very simple: We either take the first major step toward controlling spending in a way which forces the Defense Department and the President to submit a budget dramatically different than what they would do without this, or we continue down the road of large deficits and uncontrolled Federal spending.

#### CONFERENCE REPORT ON HOUSE JOINT RESOLUTION 372, PUBLIC DEBT LIMIT INCREASE

Mr. ROSTENKOWSKI submitted the following conference report and statement on the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt:

##### CONFERENCE REPORT (H. REPT. 99-351)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt, having met, after full and free conference, have been unable to agree.

From the Committee on Ways and Means:

DAN ROSTENKOWSKI,  
SAM M. GIBBONS,  
J.J. PICKLE,  
C.B. RANGEL,

PETE STARK,  
JAMES JONES,  
ED JENKINS,  
RICHARD GEPHARDT,  
MARTY RUSSO,  
JOHN J. DUNCAN,  
BILL ARCHER,  
GUY VANDER JAGT,  
PHILIP M. CRANE,  
BILL FRENZEL,

From the Committee on Appropriations:

JAMIE WHITTEN,  
EDWARD P. BOLAND,  
WILLIAM H. NATCHER,  
NEAL SMITH,  
C. PURSELL,  
TOM LOEFFLER,

From the Committee on Rules:

CLAUDE PEPPER,  
JOE MOAKLEY,  
BUTLER DERRICK,  
ANTHONY C. BEILSON,  
MARTIN FROST,  
DELBERT LATTI,  
TRENT LOTT,

From the Committee on the Budget:

WILLIAM H. GRAY,  
GEORGE MILLER,  
MARVIN LEATH,  
JACK KEMP,

From the Committee on Government Operations:

JACK BROOKS,  
DON FUQUA,  
HENRY WAXMAN,  
MIKE SYNAR,  
FRANK HORTON,  
THOMAS M. KINDNESS,

As additional conferees:

THOMAS S. FOLEY,  
DAVID OBEY,  
M.R. OAKAR,  
LEON PANETTA,  
VIC FAZIO,  
ROBERT H. MICHEL,  
DICK CHENEY,  
LYNN MARTIN,  
CONNIE MACK,

Managers on the Part of the House.

BOB PACKWOOD,  
BILL ROTH,  
PETE V. DOMENICI,  
J.C. DANFORTH,  
W. L. ARMSTRONG,  
RUSSELL B. LONG,  
LLOYD BENTSEN,  
LAWTON CHILES,  
CARL LEVIN,

Managers on the Part of the Senate.

#### JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H.J. Res. 372), increasing the statutory limit on the public debt, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

From the Committee on Ways and Means:

DAN ROSTENKOWSKI,  
SAM M. GIBBONS,  
J.J. PICKLE,  
C.B. RANGEL,  
PETE STARK,  
JAMES JONES,  
ED JENKINS,  
RICHARD GEPHARDT,  
MARTY RUSSO,  
JOHN J. DUNCAN,

BILL ARCHER,  
GUY VANDER JAGT,  
PHILIP M. CRANE,  
BILL FRENZEL,

From the Committee on Appropriations:

JAMIE WHITTEN,  
EDWARD P. BOLAND,  
WILLIAM H. NATCHER,  
NEAL SMITH,  
C. PURSELL,  
TOM LOEFFLER,

From the Committee on Rules:

CLAUDE PEPPER,  
JOE MOAKLEY,  
BUTLER DERRICK,  
ANTHONY C. BEILSON,  
MARTIN FROST,  
DELBERT LATTI,  
TRENT LOTT,

From the Committee on the Budget:

WILLIAM H. GRAY,  
GEORGE MILLER,  
MARVIN LEATH,  
JACK KEMP,

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LYNN MARTIN,  
CONNIE MACK,

Managers on the Part of the House.

BOB PACKWOOD,  
BILL ROTH,  
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J.C. DANFORTH,  
W. L. ARMSTRONG,  
RUSSELL B. LONG,  
LLOYD BENTSEN,  
LAWTON CHILES,  
CARL LEVIN,

Managers on the Part of the Senate.

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to the order of the House of October 31, 1985, I call up the conference report on the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt.

The Clerk read the title of the joint resolution.

The SPEAKER. The Clerk will read the report.

The Clerk read the report.

#### AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 1, line 7, insert:

SEC. 2. MINIMUM CORPORATE TAX BY CORPORATIONS.

Notwithstanding any other provision of this joint resolution, the Senate Committee on Finance is directed to report to the Senate by July 1, 1986, legislation providing for payment of an alternative minimum corporate tax by corporations on the broadest feasible definition of income to assure that



all of those with economic income pay their fair share of taxes: *Provided*, That said alternative minimum corporate tax shall take effect for corporate tax years commencing on or after October 1, 1986. The revenue raised by this tax shall be applied to reduce the Federal deficit.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Mr. Speaker, reserving the right to object.

Mr. Speaker, I do so to ask the gentleman from Illinois [Mr. ROSTENKOWSKI] just what this is. We are proceeding in a process here that has not given the Members much chance for information.

I will be glad to yield to the gentleman from Illinois [Mr. ROSTENKOWSKI].

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Mr. ROSTENKOWSKI. In answer to the question of the gentleman from Pennsylvania, this amendment simply provides complementary language to that found in the other body's version of this legislation concerning the development and reporting of an alternative minimum corporate tax.

The language requires the Committee on Ways and Means to report an alternative minimum tax no later than October 1, 1986. I hasten to add that the Committee on Ways and Means currently has under active consideration a very strong corporate minimum tax as part of its tax reform legislation, which it is our intention to report in a very short while.

Mr. WALKER. Further reserving the right to object, let me ask the gentleman, do we assign any parameters to this? For instance, are we saying that the measure being marked up in committee is the measure that they must come forward with? Is there protection in here for industries that are struggling on the brink of bankruptcy?

Mr. ROSTENKOWSKI. In answer to the gentleman's inquiry, the amendment goes no further than the Senate's amendment did.

Mr. WALKER. It is simply to instruct that some kind of a minimum tax be reported out.

Mr. ROSTENKOWSKI. To be reported out by Ways and Means by October of next year.

Mr. WALKER. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MOTION OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROSTENKOWSKI moves that the House recede from disagreement and concur in the Senate Amendment No. 1 with the following amendment: At the end of the Senate amendment insert the following:

"Notwithstanding any other provision of this joint resolution, the Committee on Ways and Means is directed to report to the House of Representatives legislation providing for payment of an alternative minimum corporate tax by corporations based upon the broadest feasible definition of income to assure that all of those with economic income pay their fair share of taxes: *Provided*, That, the Committee on Ways and Means shall report such legislation prior to October 1, 1986."

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The motion was agreed to.

The SPEAKER. The Clerk will report the second amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 2: Page 1, after line 7, insert:

#### SEC. 3. DEFICIT REDUCTION PROCEDURES.

(a) *SHORT TITLE*.—This section may be cited as the "Balanced Budget and Emergency Deficit Control Act of 1985".

(b) *CONGRESSIONAL BUDGET*.—

(1) *ONE CONCURRENT RESOLUTION ON THE BUDGET REQUIRED ANNUALLY*.—

(A) *IN GENERAL*.—Section 310 of the Congressional Budget Act of 1974 is amended—

(i) by striking out all beginning with "Sec. 310. (a)" through "necessary—" in the matter preceding paragraph (1) of subsection (a) and inserting in lieu thereof the following:

"SEC. 310. (a) *IN GENERAL*.—Any concurrent resolution on the budget considered under section 301 or section 304 for a fiscal year shall, to the extent necessary—"; and

(ii) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

(B) *CONFORMING CHANGES*.—

(i) The table of contents in subsection (b) of section 1 of the Congressional Budget and Impoundment Control Act of 1974 is amended—

(I) by striking out "Adoption of first concurrent resolution" in the item relating to section 301 and inserting in lieu thereof "Annual adoption of concurrent resolution";

(II) by striking out "First concurrent resolution" in the item relating to section 303 and inserting in lieu thereof "Concurrent resolution"; and

(III) by striking out "Second required concurrent resolution and reconciliation" in the item relating to section 310 and inserting in lieu thereof "Reconciliation".

(ii) Paragraph (4) of section 3 of such Act is amended—

(I) by adding "and" after the semicolon at the end of subparagraph (A);

(II) by striking out subparagraph (B); and

(III) by striking out "(C) any other" and inserting in lieu thereof "(B) a".

(iii) Section 300 of the Congressional Budget Act of 1974 is amended—

(I) by striking out "first" in the item relating to April 15 and in the second item relating to May 15; and

(II) by striking out the items relating to September 15 and September 25.

(iv)(I) The heading of section 301 of the Congressional Budget Act of 1974 is amended to read as follows:

#### "ANNUAL ADOPTION OF CONCURRENT RESOLUTION"

(II) Section 301(a) of such Act is amended by striking out "the first concurrent resolution on the budget" in the first sentence and inserting in lieu thereof "a concurrent resolution on the budget".

(III) Section 301(b) of such Act is amended—

(aa) by striking out "first concurrent resolution on the budget" in the matter preceding paragraph (1) and inserting in lieu thereof "concurrent resolution on the budget referred to in subsection (a)"; and

(bb) in paragraph (1) by striking out all beginning with "the concurrent resolution" through "both" the second place it appears and inserting in lieu thereof "the Congress has completed action on any reconciliation bill or reconciliation resolution, or both, required by such concurrent resolution to be reported in accordance with section 310(b)".

(IV) Section 301(d) of such Act is amended by striking out "first" each place it appears.

(V) Section 301(e) of such Act is amended—

(aa) by striking out "set for" in paragraph (1) and inserting in lieu thereof "set forth"; and

(bb) by striking out "first concurrent resolution on the budget" each place it appears and inserting in lieu thereof "concurrent resolution on the budget referred to in subsection (a)".

(v) Section 302(c) of such Act is amended by striking out "or 310".

(vi)(I) The heading of section 303 of such Act is amended by striking out "FIRST".

(II) Section 303(a) of such Act is amended by striking out "first concurrent resolution on the budget" in the matter following paragraph (4) and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(vii) Section 304 of such Act is amended—

(I) by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)"; and

(II) by striking out "pursuant to section 301".

(viii)(I) Section 305(a)(3) is amended by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(II) Section 305(b) of such Act is amended—

(aa) in paragraph (1) by striking out "except that" and all that follows through "15 hours"; and

(bb) in paragraph (3) by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(ix) Section 308(a)(2)(A) of such Act is amended by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(x) Paragraph (1) of section 309 of such Act is amended by striking out "and other than the reconciliation bill for such year, if required to be reported under section 310(c)".

(xi) Section 310(f) of such Act is amended by striking out "subsection (a)" and inserting in lieu thereof "301(a)".

(xii) Section 311(a) of such Act is amended—

(I) by striking out "310(a)" the first place it appears and inserting in lieu thereof "301(a)"; and

(II) by striking out "310(c)" and inserting in lieu thereof "310(b)".

(2) MAXIMUM DEFICIT AMOUNTS.—

(A) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(i) POINT OF ORDER.—Section 301 of the Congressional Budget Act of 1974 is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and inserting after subsection (b) the following new subsection:

"(c) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider or adopt any concurrent resolution on the budget for a fiscal year under this section, or to consider or adopt any amendment to such a concurrent resolution, or to consider or adopt a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 317).

"(2) Paragraph (1) of this subsection shall not apply to any fiscal year for which a declaration of war has been enacted."

(ii) CONFORMING CHANGES.—

(I) Section 301(a)(6) of such Act is amended by striking out "subsection (e)" and inserting in lieu thereof "subsection (f)".

(II) Section 301(e) of such Act, as redesignated by clause (i) of this subparagraph, is amended by inserting "and when so reported such concurrent resolution shall comply with the requirement described in paragraph (1) of subsection (c), unless such paragraph does not apply to such fiscal year by reason of paragraph (2) of such subsection" after "October 1 of such year" in the second sentence thereof.

(B) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 304 of such Act is amended—

(i) by inserting "(a) IN GENERAL.—" after "SEC. 304."; and

(ii) by adding at the end thereof the following new subsection:

"(b) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider or adopt any concurrent resolution on the budget for a fiscal year under this section, or to consider or adopt any amendment to such a concurrent resolution, or to consider or adopt a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than

the maximum deficit amount specified for such fiscal year in section 317).

"(2) Paragraph (1) of this subsection shall not apply to any fiscal year for which a declaration of war has been enacted."

(C) DEFINITIONS.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(6) The term 'deficit' means, with respect to any fiscal year, the amount by which total budget outlays for such fiscal year exceed total revenues for such fiscal year. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, the receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for a fiscal year, and the taxes payable under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 during such fiscal year, shall be included in total revenues for such fiscal year, and the disbursements of either such Trust Fund for such fiscal year shall be included in total budget outlays for such fiscal year.

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1985, \$180,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1986, \$144,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1987, \$108,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1988, \$72,000,000,000;

"(E) with respect to the fiscal year beginning October 1, 1989, \$36,000,000,000; and

"(F) with respect to the fiscal year beginning October 1, 1990, zero."

(3) RECONCILIATION.—

(A) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(i) DIRECTIONS TO COMMITTEES.—Section 301(b) of the Congressional Budget Act of 1974 (as amended by paragraph (1)(B)(iv)/(III) of this subsection) is further amended—

(I) by striking out "may also require" in the matter preceding paragraph (1) and inserting in lieu thereof "shall also, to the extent necessary to comply with subsection (c)";

(II) by inserting "require" after the paragraph designation in paragraph (1);

(III) by inserting "require" after the paragraph designation in paragraph (2); and

(IV) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and inserting before paragraph (2) (as so redesignated) the following new paragraph:

"(1) specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a);"

(ii) CONFORMING CHANGES.—

(I) Section 310(a) of such Act is amended—

(aa) by inserting "or" at the end of paragraph (2);

(bb) by striking out "or" at the end of paragraph (3) and inserting in lieu thereof a period; and

(cc) by striking out paragraph (4).

(II) Section 310(d) of such Act is amended by striking out "subsection (c)" and all that follows through "year" and inserting in lieu thereof "subsection (b) with respect to a concurrent resolution on the budget adopted under section 301(a) not later than June 15 of each year".

(III) Subsections (e) and (f) of section 310 of such Act are amended by striking out "subsection (c)" each place it appears and inserting in lieu thereof "subsection (b)".

(IV) Section 300 of such Act is amended by inserting immediately after the second item relating to May 15 the following new item:

"June 15..... Congress completes action on reconciliation bill or resolution, or both, implementing annual required concurrent resolution."

(B) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—

(i) IN GENERAL.—Section 304(a) of such Act (as redesignated by paragraph (2)(B)(i) of this subsection) is amended by adding after the period the following new sentence: "Any concurrent resolution adopted under this section shall specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a) to the extent necessary to comply with subsection (b)."

(ii) CONFORMING CHANGE.—Section 310(d) of such Act (as amended by subparagraph (A)(ii)/(II) of this paragraph) is further amended by adding at the end thereof the following new sentence: "Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (b) with respect to a concurrent resolution on the budget adopted under section 304(a) not later than 30 days after the adoption of the concurrent resolution."

(4) LIMITATION ON AMENDMENTS.—

(A) CONCURRENT RESOLUTIONS ON THE BUDGET.—

(i) HOUSE OF REPRESENTATIVES.—Section 305(a)(6) of such Act is amended—

(I) by inserting "(A)" after the paragraph designation; and

(II) by adding at the end thereof the following new subparagraph:

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in such concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any combination thereof.

"(ii) Clause (i) of this subparagraph shall not apply to any fiscal year for which a declaration of war has been enacted."

(ii) SENATE.—Section 305(b)(2) of such Act is amended—

(I) by inserting "(A)" before the paragraph designation; and

(II) by adding at the end thereof the following new subparagraph:

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof.

"(ii) Clause (i) of this subparagraph shall not apply to any fiscal year for which a declaration of war has been enacted."



(B) RECONCILIATION BILLS AND RESOLUTIONS.—Section 310 of such Act is amended by inserting after subsection (b) (as redesignated by paragraph (1)(A)(ii) of this subsection) the following new subsection:

"(c) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS AND RESOLUTIONS.—

"(1) It shall not be in order in either the House of Representatives or the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution, or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution, unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the most recently agreed to concurrent resolution on the budget is not exceeded, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof, except that a motion to strike a provision shall always be in order.

"(2) Paragraph (1) shall not apply to any fiscal year for which a declaration of war has been enacted."

(5) ENFORCEMENT.—

(A) ALLOCATIONS OF BUDGET AUTHORITY AND OUTLAYS.—

(i) REPORTING DATE FOR ALLOCATIONS.—Section 302(b) of such Act is amended by striking out "Each such committee shall promptly report" in the last sentence and inserting in lieu thereof "Each such committee, within ten days of session after the concurrent resolution is agreed to, shall report".

(ii) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(I) new budget authority for any fiscal year;

(II) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in any fiscal year; or

(III) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for any fiscal year;

within the jurisdiction of any committee which has received an allocation of budget authority or new spending authority described in section 401(c)(2)(C) pursuant to section 302(a) of the Congressional Budget Act for a fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year.

(iii) ALLOCATIONS MADE BINDING.—Section 311 of such Act is amended by redesignating subsections (a) and (b) as subsections (b) and (c), respectively, and inserting immediately after "Sec. 311" the following new subsection:

"(a) LEGISLATION SUBJECT TO POINT OF ORDER AFTER ADOPTION OF ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

"(1) IN GENERAL.—At any time after the Congress has completed action on the concurrent resolution on the budget required to be reported under section 301(a) for a fiscal year, it shall not be in order in either the House of Representatives or the Senate—

"(A) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides for budget outlays or new budget au-

thority in excess of the appropriate allocation of such outlays or authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year; or

"(B) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides new spending authority described in section 401(c)(2)(C) to become effective during such fiscal year, if the amount of budget outlays or new budget authority that would be required for such year if such bill or resolution were enacted without change or such amendment were adopted would exceed the appropriate allocation of budget outlays or new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, unless such bill, resolution, or amendment was favorably reported by the Committee on Appropriations of the House involved under section 401(b)(2) along with a certification that if such bill, resolution, or amendment is enacted or adopted, the committee will reduce appropriations or take any other actions necessary to assure that the enactment or adoption of such bill, resolution, or amendment will not result in a deficit for such fiscal year in excess of the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) ALTERATION OF 302(b) ALLOCATIONS.—At any time after a committee reports the allocations required to be made under section 302(b), such committee may report to its House an alteration of such allocations. Provided, That any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.

"(3) EXCEPTION.—Paragraph (1) shall not apply to any fiscal year for which a declaration of war has been enacted."

(B) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 311(b) of such Act, as redesignated by subparagraph (A)(ii) of this subsection, is amended by inserting before the period at the end thereof the following: "or would cause the levels of deficits set forth in such concurrent resolution to be exceeded, or would otherwise result in a deficit for such fiscal year that exceeds the maximum deficit amount specified for such fiscal year in section 3(7) (except to the extent that paragraph (1) of subsection (b) of section 310 does not apply by reason of paragraph (2) of such subsection)".

(C) REPORTING REQUIREMENT EXTENDED TO CONFERENCE REPORTS.—Section 308(a) of such Act is amended by striking out "the report accompanying that bill or resolution" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "or whenever a conference report is filed in either House, the report accompanying that bill or resolution or the statement of managers accompanying that conference report".

(c) BUDGET SUBMITTED BY THE PRESIDENT.—

(1) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 1105 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974; and the President shall take such action under subsection (d)(2) of

the Balanced Budget and Emergency Deficit Control Act of 1985 as is necessary to ensure that the deficit for such fiscal year does not exceed such maximum deficit amount.

"(2) Subject to paragraph (3) of this subsection, the deficit set forth in the budget so transmitted for any fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

"(3) Paragraph (2) shall not apply with respect to any fiscal year for which a declaration of war has been enacted."

(2) REVISIONS AND SUPPLEMENTAL SUMMARIES.—Section 1106 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the same extent that such subsection applies to the budget submitted under section 1105(a) to which such revisions and summaries relate."

(d) EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.—

(1) REPORTING OF DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.—

(A) IN GENERAL.—The Director of the Office of Management and Budget and the Director of the Congressional Budget Office (hereafter in this section referred to as "the Directors") shall, with respect to any fiscal year (I) estimate the levels of total revenues and budget outlays that may be anticipated for such fiscal year, (II) determine whether the deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year and whether such excess is statistically significant, and (III) estimate the rate of real economic growth that will occur during such fiscal year and the rate of economic growth that will occur during each quarter of such fiscal year. The Directors jointly shall report to the President and to the Congress on November 1 of such fiscal year (in the case of the fiscal year beginning October 1, 1985) and on the September 25 preceding each such fiscal year (in the case of any succeeding fiscal year), identifying the amount of any excess, stating whether such excess is statistically significant, specifying the estimated rate of real economic growth for such fiscal year and for each quarter of such fiscal year, and specifying the percentages by which automatic spending increases and controllable expenditures shall be reduced during such fiscal year in order to eliminate any such excess. In the event that the Directors are unable to agree on an amount to be set forth with respect to any item in any such report, the amount set forth for such item in such report shall be the average of the amounts proposed by each of them with respect to such item.

(B) EXCEPTION.—Subparagraph (A) shall not apply to any fiscal year for which a declaration of war has been enacted.

(2) PRESIDENTIAL ORDER.—

(A) CONTENTS.—

(i) IN GENERAL.—Upon receipt of any report from the Directors under paragraph (1) of this subsection which identifies a statistically significant amount by which the deficit for a fiscal year will exceed the maximum deficit amount for such fiscal year, the President shall eliminate the full amount of the deficit excess by issuing an order that—

(I) subject to clauses (ii), (iii), and (iv) of this subparagraph, and notwithstanding the Impoundment Control Act of 1974, eliminates one-half of such excess by modifying or suspending the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a manner as to reduce by a uniform percentage (but not below zero) the amount of outlay increase under each such provision, and

(II) subject to clauses (ii), (iii), and (iv) of this subparagraph, eliminates one-half of such excess by sequestering from each affected program, project, or activity (as defined in the most recently enacted relevant appropriations Acts and accompanying committee reports) or from each affected account if not so defined, for funds provided in annual appropriations Acts or, otherwise from each budget account, such amounts of budget authority, obligation limitation, other budgetary resources, and loan limitation, and by adjusting payments provided by the Federal Government, to the extent necessary to reduce the outlays for each controllable expenditure by a uniform percentage: Provided, That any periodic payments to individuals or families which are in the nature of income support, supplementation, or assistance (including payments made pursuant to section 32 of the Internal Revenue Code of 1954 as amended or pursuant to chapter 11 or 13 of title 38, United States Code) and which are paid to such individuals or families directly by the United States (or by a person or entity acting as an agent of the United States) shall not be reduced pursuant to this subclause to a level which is lower than the level that would be payable in the absence of this subclause, but in the case of compensation, pursuant to chapter 11 or 13 of title 38, United States Code, a cost-of-living adjustment enacted into law to become effective in the fiscal year that is the first fiscal year to which the order described in this clause applies shall be treated as an automatically-indexed program for purposes of subclause (i) of this clause; and shall transmit to both Houses of the Congress a message—

(III) identifying—

(aa) the total amount and the percentage by which automatic spending increases are to be reduced under subclause (I) of this clause;

(bb) the total amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered under subclause (II) of this clause with respect to controllable expenditures;

(cc) the amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered with respect to each such controllable expenditure in order to reduce it by the required percentage; and

(dd) the account, department, or establishment of the Government to which each amount of budget authority, obligation limitations, loan limitations, and other budgetary resources described in subclause (II) of this clause would be available for obligation; and

(IV) providing full supporting details with respect to each action to be taken under subclause (I) or (II) of this clause.

Upon receipt in the Senate and the House of Representatives, the message shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(ii) EXCEPTION.—If, in order to reduce by one-half the amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year, actions under clause (i)(I) would require the reduction of automatic spending increases below zero, then, in order not to require such reductions below zero, the remaining amount shall be achieved through further uniform reductions under clause (i)(II).

(iii) LIMITATION.—No action taken by the President under subclause (I) or (II) of clause (i) shall have the effect of eliminating any program, project, or activity of the Federal Government.

(iv) LIMITATION.—Any automatic spending increases modified or suspended, or any amounts of budget authority, obligation limitation, other budgetary resources, or loan limitations sequestered by an order of the President under this Act are permanently cancelled, and the legal rights, if any, of persons to receive such automatic spending increases shall be deemed to be extinguished to the extent that the operation of laws providing for such increases are modified or suspended by such an order.

(v) Nothing in subclause (I) or (II) of clause (i) shall be construed to give the President new authority to alter the relative priorities in the Federal budget that are established by law, and no person who is, or becomes, eligible for benefits under any provision of law shall be denied eligibility by reason of this section.

(B) DATE ISSUED.—

(i) POSITIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted under paragraph (1) of this subsection is zero or greater, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 14 days after transmittal of such report.

(ii) NEGATIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted under paragraph (1) of this subsection is less than zero with respect to such fiscal year or with respect to each of any two consecutive quarters of such fiscal year, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 30 days after transmittal of such report.

(C) EFFECTIVE DATE.—

(i) IN GENERAL.—Except to the extent that it is superseded by a reconciliation bill or reconciliation resolution enacted or adopted under paragraph (3) of this subsection, an order issued pursuant to this paragraph shall become effective 30 days after its issuance. Any modification or suspension by such order of the operation of a provision of law that would (but for such order) require an automatic spending increase to take effect during a fiscal year shall apply for the one-year period beginning with the date on which such automatic increase would have taken effect during such fiscal year (but for such order).

(ii) WITHHOLDING OF BUDGET AUTHORITY FOR THIRTY-DAY PERIOD.—During the 30-day period referred to in clause (i), the President shall withhold from obligation the amounts that would have been suspended or sequestered under such order with respect to such 30-day period if the order issued pursuant to this paragraph had become effective on the date of its issuance. If a reconciliation bill or reconciliation resolution enacted or adopted under paragraph (3) of this subsection becomes law on or before the last day of such 30-day period, amounts withheld from

obligation pursuant to the preceding sentence shall be made available for obligation to the extent permitted by such reconciliation bill or reconciliation resolution. If such a reconciliation bill or reconciliation resolution does not become law during such period, the budget authority withheld from obligation under the first sentence of this clause shall be permanently cancelled as described in paragraph (2)(A)(iv) of this subsection.

(D) PROPOSAL OF ALTERNATIVES.—A message transmitted pursuant to this paragraph with respect to a fiscal year may be accompanied by a proposal setting forth in full detail alternative ways to reduce the deficit for such fiscal year to an amount not greater than the maximum deficit amount for such fiscal year. Upon receipt in the Senate and the House of Representatives, the message and any accompanying proposal shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(3) CONGRESSIONAL ACTION.—

(A) REPORTING OF CONCURRENT RESOLUTIONS AND RECONCILIATION BILLS AND RESOLUTIONS.—

(i) IN GENERAL.—Not later than 10 days after issuance of an order by the President under paragraph (2) with respect to a fiscal year, the Committee on the Budget of the House of Representatives and the Senate may report to its House a concurrent resolution. The concurrent resolution may affirm the impact of the order issued under paragraph (2), in whole or in part. To the extent that any part of the order is not affirmed, the concurrent resolution shall state which parts are not affirmed and shall contain instructions to committees of the House and the Senate of the type referred to in section 310(a) of the Congressional Budget Act of 1974, sufficient to achieve at least the total level of deficit reduction contained in those sections which are not affirmed.

(ii) RESPONSE OF COMMITTEES.—Committees instructed pursuant to clause (i) of this subparagraph, or affected thereby, shall submit their responses to their respective Budget Committees no later than 10 days after the conference report on the concurrent resolution referred to in clause (i) is agreed to in both Houses, except that if in either House only one such Committee is so instructed such Committee shall, by the same date, report to its House a reconciliation bill or reconciliation resolution containing its recommendations in response to such instructions. A committee shall be considered to have complied with all instructions to it pursuant to a concurrent resolution adopted under clause (i) if it has made recommendations with respect to matters within its jurisdiction which would result in a reduction in the deficit at least equal to the total reduction directed by such instructions.

(iii) BUDGET COMMITTEE ACTION.—Upon receipt of the recommendations received in response to a concurrent resolution referred to in clause (i) of this subparagraph, the Budget Committee of each House shall report to its respective House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revisions. In the event that a committee instructed in a concurrent resolution referred to in clause (i) fails to submit any recommendation (or, when only one committee is instructed, fails to report a reconciliation bill or resolution) in response to such instructions, the Budget Committee of the relevant House shall include in the reconciliation bill or reconciliation resolution reported pursuant to this



clause legislative language within the jurisdiction of the noncomplying committee to achieve the amount of deficit reduction directed in such instructions.

(iv) **POINT OR ORDER.**—It shall not be in order in the House of Representatives or the Senate to consider or agree to any bill or resolution reported under clause (iii) with respect to a fiscal year, any amendment thereto, or any conference report thereon if—

(I) the enactment of such bill or resolution as reported;

(II) the adoption and enactment of such amendment; or

(III) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the amount of the deficit for such fiscal year to exceed the amount of the deficit set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year or the maximum deficit amount for such fiscal year, unless the report submitted under paragraph (1)(A) projects negative real economic growth for such fiscal year, or for each of any two consecutive quarters during such fiscal year.

(v) **TREATMENT OF CERTAIN AMENDMENTS.**—An amendment which adds to a concurrent resolution reported under clause (i) an instruction of the type referred to in such clause shall be in order during the consideration of such resolution if such amendment would be in order but for the fact that it would be held to be non-germane on the basis that the instruction constitutes new matter.

(vi) **DEFINITION.**—For purposes of clauses (i) and (ii), the term "day" shall mean any calendar day on which either House of the Congress is in session.

(B) **PROCEDURES.**—

(i) **IN GENERAL.**—Except as provided in subclause (ii), the provisions of sections 305 and 310 of the Congressional Budget Act of 1974 for the consideration of concurrent resolutions on the budget and conference reports thereon shall also apply to consideration of concurrent resolutions, and reconciliation bills and reconciliation resolutions reported under this paragraph and conference reports thereon.

(ii) **LIMIT ON DEBATE.**—Debate in the Senate on any concurrent resolution reported pursuant to subclause (i) of subparagraph (A), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to 10 hours.

(iii) **LIMITATION ON AMENDMENTS.**—Section 310(c) of such Act (as added by subsection (b)(4)(B) of this section) shall apply to reconciliation bills and reconciliation resolutions reported under this paragraph.

(iv) **COMPLIANCE WITH INSTRUCTIONS.**—Section 310 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new subsection:

"(g) **COMPLIANCE WITH RECONCILIATION DIRECTIONS.**—Any committee of a House of the Congress that is directed, pursuant to a concurrent resolution on the budget to recommend changes of the type described in paragraphs (1) and (2) of subsection (a) with respect to laws within its jurisdiction, shall be deemed to have complied with such directions—

"(1) if—

"(A) the amount of the changes of the type described in paragraph (1) of such subsection recommended by such committee, and

"(B) the amount of the changes of the type described in paragraph (2) of such subsection recommended by such committee,

do not exceed or fall below the amount of the changes such committee was directed by

such concurrent resolution to recommend under such paragraph by more than 20 percent of the total of the amounts of the changes such committee was directed to make under both such paragraphs; and

"(2) if the total amount of the changes recommended by such committee is not less than the total of the amounts of the changes such committee was directed to make under both such paragraphs."

(4) **DEFINITIONS.**—For purposes of this subsection:

(A) The term "automatic spending increase" shall include all Federal programs indexed directly, whether appropriated or contained in current law. This shall not include increases in Government expenditures due to changes in program participation rates. Such term shall not include any increase in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(B) The term "budget outlays" has the meaning given to such term in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974.

(C) The term "concurrent resolution on the budget" has the meaning given to such term in section 3(4) of the Congressional Budget and Impoundment Control Act of 1974.

(D) The term "deficit" has the meaning given to such term in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974.

(E) The term "maximum deficit amount" has the meaning given to such term in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974.

(F) The term "real economic growth" means, with respect to a fiscal year, the nominal growth in the production of goods and services during such fiscal year, adjusted for inflation.

(G) The term "controllable expenditures" means total budget outlays for any account, or any program, project, or activity enumerated by annual appropriation Acts and by applicable committee reports, except those described in subparagraph (A) and except outlays for benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, outlays due to increases in program participation rates, outlays for prior-year obligations, and outlays for interest on the public debt. Such term shall also include funds for existing contracts unless—

(i) penalty provisions in such contract would produce a net loss to the Government; or

(ii) reduction of the contract violates legal obligations of the Government.

(H) The term "sequester" means the permanent cancellation of budget authority, obligation limitations, other budgetary resources, or loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage.

(I) The term "other budgetary resources" means unobligated balances, reimbursements, receipts credited to an account, and recoveries of prior-year obligations.

(J) The amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year shall be treated as "statistically significant" if the amount of such excess is greater than 5 percent of such maximum deficit amount. For purposes of the fiscal year beginning October 1, 1985, the preceding sentence shall be applied by substituting "7" for "5".

(e) **BUDGETARY TREATMENT OF SOCIAL SECURITY TRUST FUNDS.**—

(1) **FISCAL YEARS 1986 THROUGH 1992.**—

(A) **IN GENERAL.**—Section 710 of the Social Security Act (as added by paragraph (1) of subsection (a) of section 346 of the Social Security Amendments of 1983) is amended—

(i) by striking out all beginning with "the" the first place it appears down through "Disability Insurance Trust Fund, the" and inserting in lieu thereof "The";

(ii) by striking out "sections 1401, 3101, and 3111" and inserting in lieu thereof "1401(b), 3101(b), and 3111(b)";

(iii) by redesignating all after the section designation as subsection (b);

(iv) by inserting after the section designation the following:

"(a) The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, and the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government."; and

(v) by adding at the end thereof the following new subsection:

"(c) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, or for payments from any such Trust Fund to the general fund of the Treasury."

(B) **APPLICATION.**—The amendments made by subparagraph (A) shall apply with respect to fiscal years beginning after September 30, 1985, and ending before October 1, 1992.

(2) **FISCAL YEAR 1993 AND THEREAFTER.**—Section 710(a) of the Social Security Act (42 U.S.C. 911 note), as amended by section 346(b) of the Social Security Amendments of 1983 (to be effective with respect to fiscal years beginning after September 30, 1992) is amended by—

(A) inserting "(1)" after the subsection designation; and

(B) adding at the end thereof the following new paragraph:

"(2) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to any Trust Fund specified in paragraph (1) or for payments from any such Trust Fund to the general fund of the Treasury."

(f) **BUDGET ACT WAIVERS.**—Section 904 of the Congressional Budget Act is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b) Except as provided in subsection (c), any provision of title III or IV may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum

being present, or by the unanimous consent of the Senate." and

(2) by redesignating subsection (c) as subsection (d), and inserting after subsection (b) the following new subsection:

"(c) The provisions of section 305(b)(2) and section 306 of this Act may be waived or suspended in the Senate and the House of Representatives only by the affirmative vote of three-fifths of the Members of that House duly chosen and sworn."

(g) OTHER WAIVERS AND SUSPENSIONS.—The provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 may be waived or suspended in the Senate and the House only by the affirmative vote of three-fifths of the Members of that House duly chosen and sworn.

(h) SUPPLEMENTAL BUDGET ESTIMATES.—Section 1106 of title 31, United States Code, is amended by striking out "July 16" each place it appears and inserting in lieu thereof "September 16".

(i) POINT OF ORDER.—Notwithstanding any other provision of law, it shall not be in order in the Senate or House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304 of the Congressional Budget Act of 1974, or any amendment thereto, or conference report thereon that contains recommendations with respect to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, with respect to revenues attributable to the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, or with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(j) APPLICATION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section and the amendments made by this section shall become effective on the date of the enactment of this section and shall apply with respect to fiscal years beginning after September 30, 1985, and before October 1, 1991.

(2) EXCEPTION.—The amendments made by subsections (b)(1), (b)(2)(A), (b)(3)(A), (b)(5)(A)(i), (c) of this section shall apply with respect to fiscal years beginning after September 30, 1986, and before October 1, 1991.

(3) OASDI TRUST FUNDS.—The amendments made by subsection (e) shall apply as provided in such subsection.

(k) The provisions of this Act, other than those relating to the activities of the executive branch, are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(l) SENSE OF THE SENATE.—It is the sense of the Senate that any funding reductions or sequestering of controllable expenditures implemented by the various Federal agencies as a result of this Act shall be made uniformly and shall not disproportionately be made in the funding of programs targeted for rural and lesser populated areas.

(m) REPORT REQUIRED.—The Directors of the Office of Management and Budget and the Congressional Budget Office, and the Secretary of the Treasury, shall jointly report to the President and to the Committee on Finance and the Committee on Ways and Means on the projected level of revenues which would be raised by increased and improved tax enforcement and collection through audits, examinations, and other methods designed to eliminate tax cheating and increase revenue collections from individuals and corporations evading Federal taxation. The report shall include an analysis of measures which can be implemented to increase voluntary compliance with tax laws, including increased staff for taxpayer assistance, speedier processing of returns, improved information processing and collection, and public education designed to increase public trust and understanding of the Internal Revenue Service enforcement efforts. The report shall also include an estimate of the level of increased expenditures for Internal Revenue Service enforcement and compliance efforts at which additional expenditures would not yield additional revenues of at least \$2 of revenue for every \$1 in expenditures. The report shall be issued on an annual basis no later than the date on which the President submits a proposed budget for each fiscal year to the Congress.

(n) TREATMENT OF CERTAIN COST-OF-LIVING ADJUSTMENTS.—During the time in which a sequester order is in effect, any cost-of-living adjustment for Social Security shall not count as income for purposes of determining Supplemental Security Income payments or payments from any other programs which are offset as a consequence of cost-of-living adjustments for Social Security.

(o) Section 1105(c) of title 31, United States Code, is amended—

(1) by striking out "The" the first place it appears and inserting in lieu thereof "(1) Notwithstanding any other provision of law, the";

(2) by inserting "(other than action that would require an increase in borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the applicable amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears; and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of this subsection, the term 'applicable amount' means—

"(A) with respect to the fiscal year beginning October 1, 1986, \$144,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1987, \$108,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1988, \$72,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1989, \$36,000,000,000; and

"(E) with respect to the fiscal year beginning October 1, 1990, and each fiscal year thereafter, zero."

(p)(1) In preparing any report required under subsection (d)(1) for a fiscal year, the Directors shall comply with this subsection.

(2) The Directors shall—

(A) examine—

(i) each contract with a total amount of budget authority in excess of \$20,000,000 under which outlays will be made in such fiscal year to determine whether such contract includes provisions for adjusting outlays in such fiscal year under such contract as a result of inflation; and

(ii) any other Government activity which the Directors consider appropriate under which outlays in such fiscal year will be increased as a result of inflation; and

(B) assume, in determining the total amount of outlays which will be made in such fiscal year, that the adjustments for inflation made in contracts described in clause (i) of subparagraph (A) and activities described in clause (ii) of such subparagraph will be made on the best available estimate of inflation for such fiscal year.

(3) In the event that the Directors are unable to agree under paragraph (2) on an amount of outlays with respect to any particular contract or activity, the Directors shall use the average of the amounts proposed by each of them with respect to such contract or activity.

(q) COMMODITY CREDIT CORPORATION LOANS AND GUARANTEED STUDENT LOANS.—Any contract entered into after a sequester order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and entities providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender or guarantee entity shall be deemed to be controllable expenditures and shall be subject to reduction under the Presidential order, and any such contract shall explicitly provide for such reduction for the entire contractual period: Provided, That in regard to commodity loans made by the Commodity Credit Corporation to producers or producer cooperatives for a commodity produced in the same crop year, those loans for the same commodity shall be subject to the same terms and conditions: Provided further, That noncontract programs supported through the Commodity Credit Corporation shall be deemed to be controllable expenditures and shall be subject to reduction in the same fashion as other programs under the Presidential order: Provided further, That programs supported through the Commodity Credit Corporation shall be deemed to be the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for those programs in the sequester order.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that Senate amendment No. 2 be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MOTION OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROSTENKOWSKI moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

## TITLE II—DEFICIT REDUCTION PROCEDURES

### SEC. 200. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Balanced Budget and Emergency Deficit Control Act of 1985".

(b) TABLE OF CONTENTS.—

Sec. 200. Short title and table of contents.

### PART A—CONGRESSIONAL BUDGET PROCESS

#### Subpart I—Congressional Budget

Sec. 201. Congressional budget.



Subpart II—Amendments to Title IV of the Congressional Budget Act of 1974

- Sec. 211. New spending authority.  
 Sec. 212. Credit authority.  
 Sec. 213. Description by Congressional Budget Office.  
 Sec. 214. General Accounting Office study.

Subpart III—Additional Provisions to Improve Budget Procedures

- Sec. 221. Congressional Budget Office.  
 Sec. 222. Current services budget.  
 Sec. 223. Study of off-budget agencies.  
 Sec. 224. Changes in functional categories.  
 Sec. 225. Jurisdiction of Committee on Government Operations.  
 Sec. 226. Continuing study of congressional budget process.  
 Sec. 227. Early election of committees of the House.  
 Sec. 228. Rescissions and transfers in appropriation bills.

Subpart IV—Technical and Conforming Amendments

- Sec. 231. Table of contents.  
 Sec. 232. Additional technical and conforming amendments.

PART B—BUDGET SUBMITTED BY THE PRESIDENT

- Sec. 241. Submission of President's budget; maximum deficit amount may not be exceeded.  
 Sec. 242. Supplemental budget estimates and changes.  
 Sec. 243. Current services budget.

PART C—EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT

- Sec. 251. Reporting of excess deficits.  
 Sec. 252. Presidential order.  
 Sec. 253. Exempt programs and activities.  
 Sec. 254. Exceptions, limitations, and special rules.  
 Sec. 255. Definitions.

PART D—BUDGETARY TREATMENT OF SOCIAL SECURITY TRUST FUNDS

- Sec. 261. Treatment of trust funds.

PART E—MISCELLANEOUS AND RELATED PROVISIONS

- Sec. 271. Waivers and suspensions; rulemaking powers.  
 Sec. 272. Recessions.  
 Sec. 273. Restoration of trust fund investments.  
 Sec. 274. Revenue estimates.  
 Sec. 275. Non-severability.  
 Sec. 276. Judicial review.  
 Sec. 277. Effective dates.

PART A—CONGRESSIONAL BUDGET PROCESS

Subpart I—Congressional Budget

SEC. 201. CONGRESSIONAL BUDGET.

(a) DEFINITIONS.—

(1) Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(6) The term 'deficit' means, with respect to any fiscal year, the amount by which total budget outlays for such fiscal year exceed total revenues for such fiscal year. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (notwithstanding section 710(a) of the Social Security Act), the receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for a fiscal year, and the taxes payable under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 during such fiscal year, shall be included in total revenues for such fiscal year; the disburse-

ments of each such Trust Fund for such fiscal year shall be included in total budget outlays for such fiscal year; and the receipts, revenues, and disbursements of any other Federal program, project, or activity shall also be included in total revenues and total budget outlays, as the case may be, for such fiscal year, whether or not included in the totals of the budget of the United States Government.

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1985, \$161,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1986, \$110,200,000,000;

"(C) with respect to the fiscal year beginning October 1, 1987, \$57,200,000,000;

"(D) with respect to the fiscal year beginning October 1, 1988, \$4,200,000,000;

"(E) with respect to the fiscal year beginning October 1, 1989, zero; and

"(F) with respect to the fiscal year beginning October 1, 1990, zero.

"(8)(A) The maximum deficit amounts contained in paragraph (7) shall be altered in accordance with the provisions of this paragraph to reflect changed economic conditions.

"(B) Beginning with fiscal year 1986, the term 'maximum deficit amount' with respect to any fiscal year for which the formula in this paragraph requires a reduction in the deficit from the deficit of the previous fiscal year means an amount equal to—

"(i) the deficit for the preceding fiscal year (as determined or estimated by the Congressional Budget Office), minus

"(ii) 20 percent of the deficit for fiscal year 1985; except that the percentage specified in this subparagraph shall be—

"(I) increased by 1 percent for each 1/10 of a percent by which real gross national product growth for the fiscal year involved (as projected by the Congressional Budget Office) is greater than 3 percent, or

"(II) reduced by 1 percent for each 1/10 of a percent by which real gross national product growth for such fiscal year (as so projected) is less than 3 percent."

"(C) In the event that real gross national product growth for a fiscal year (as projected by the Congressional Budget Office) is 1 percent or less, there shall be no maximum deficit amount.

"(9) The term 'allocation for discretionary action' means an amount for control of congressional action to increase or decrease levels under current law of budget authority (excluding such authority to cover entitlement authority in the case of the Committee on Appropriations), direct loan obligations or primary loan guarantee commitments, spending authority as described by section 401(c)(2).

"(10) The term 'entitlement authority' means spending authority described by section 401(c)(2)(C)."

(2) Paragraph (2) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting before the comma the following: "or to collect offsetting receipts."

(b) CONGRESSIONAL BUDGET PROCESS.—Title III of the Congressional Budget Act of 1974 is amended to read as follows:

"TITLE III—CONGRESSIONAL BUDGET PROCESS

"TIMETABLE

"SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

"On or before:

First Monday after January 3.

February 15.....

February 25.....

April 15.....

May 15.....

June 10.....

June 15.....

June 30.....

October 1.....

"ANNUAL ADOPTION OF CONCURRENT RESOLUTION ON THE BUDGET

"SEC. 301. (a) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—On or before April 15 of each year, the Congress shall complete action on a concurrent resolution on the budget for the fiscal year beginning on October 1 of such year. The concurrent resolution shall set forth appropriate levels for the fiscal year beginning on October 1 of such year, and planning levels for each of the two ensuing fiscal years, for the following—

"(1) totals of new budget authority, budget outlays, entitlement authority, direct loan obligations, and primary loan guarantee commitments;

"(2) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

"(3) the surplus or the deficit in the budget;

"(4) new budget authority, budget outlays, entitlement authority, direct loan obligations, and primary loan guarantee commitments for each major functional category, based on allocations of the total levels set forth pursuant to paragraph (1); and

"(5) the public debt.

"(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The concurrent resolution on the budget may—

"(1) set forth, if required by subsection (f), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved;

"(2) include reconciliation directives described in section 310;

"(3) require a procedure under which all or certain bills or resolutions providing new budget authority or new spending authority described in section 401(c)(2)(C) for such fiscal year shall not be enrolled until the Congress has completed action on any reconciliation bill or reconciliation resolution or both required by such concurrent resolution to be reported in accordance with section 310(b); and

"(4) set forth such other matters, and require such other procedures, relating to the budget as may be appropriate to carry out the purposes of this Act.

"(c) CONSIDERATION OF PROCEDURES OR MATTERS WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF THE HOUSE OF REPRESENTATIVES.—If the Committee on the Budget of the House of Representatives reports any

Action to be completed:

President submits his budget.

Congressional Budget Office submits report to Budget Committees.

Committees submit views and estimates to Budget Committees.

Congress completes action on concurrent resolution on the budget.

Appropriation bills may be considered in the House.

House Appropriations Committee reports last regular appropriation bill.

Congress completes action on reconciliation legislation.

House completes action on regular appropriation bills.

Fiscal year begins.

concurrent resolution on the budget which includes any procedure or matter which has the effect of changing any rule of the House of Representatives, such concurrent resolution shall then be referred to the Committee on Rules with instructions to report it within five calendar days (not counting any day on which the House is not in session). The Committee on Rules shall have the jurisdiction to report any concurrent resolution referred to it under this paragraph with an amendment or amendments which change or strike out any such procedure or matter.

**"(d) VIEWS AND ESTIMATES OF OTHER COMMITTEES.**—On or before February 25 of each year, each standing committee of the House of Representatives shall submit to the Committee on the Budget of the House and each standing committee of the Senate shall submit to the Committee on the Budget of the Senate its views and estimates (as determined by the committee making such submission) with respect to all matters set forth in subsections (a) and (b) which relate to matters within the jurisdiction or functions of such committee. The Joint Economic Committee shall submit to the Committees on the Budget of both Houses its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of the House or Senate may submit to the Committee on the Budget of its House, and any joint committee of the Congress may submit to the Committees on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsections (a) and (b) which relate to matters within its jurisdiction or functions.

**"(e) HEARINGS AND REPORT.**—In developing the concurrent resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. Each of the recommendations as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (d) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, and on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending. The report accompanying such concurrent resolution shall include, but not be limited to—

"(1) a comparison of revenues estimated by the committee with those estimated in the budget submitted by the President;

"(2) a comparison of the appropriate levels of total budget outlays and total new budget authority, total direct loan obligations, total primary loan guarantee commitments, and total entitlement authority, as set forth in such concurrent resolution, with those estimated and requested in the budget submitted by the President;

"(3) with respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all existing programs (including renewals thereof), with the estimate and level for existing programs being divided between permanent authority and funds provided in appropriation Acts, and each such division being subdivided between controllable amounts and all other amounts;

"(4) an allocation of the level of Federal revenues recommended in the concurrent resolution among the major sources of such revenues;

"(5) the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution and alternative economic assumptions and objectives which the committee considered;

"(6) projections, not limited to the following, for the period of five fiscal years beginning with such fiscal year of the estimated levels of total budget outlays, total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

"(7) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments;

"(8) a comparison of Federal priorities by functional category including budget authority and outlays, direct loan obligations and primary loan guarantee commitments, and tax expenditures; and

"(9) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the concurrent resolution, including an explanation of how such matters compare with the views and estimates of the standing committees of its House.

**"(f) ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.**—

"(1) If, pursuant to section 4(c) of the Employment Act of 1946, the President recommends in the Economic Report that the goals for reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

"(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946, can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or in its most recent action pursuant to this paragraph, the concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

"(3) It shall be in order to amend the provision of such resolution setting forth such year only if the amendment thereto also proposes to alter the estimates, amounts, and levels (as described in subsection (a)) set forth in such resolution in germane fashion in order to be consistent with the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946) which such amendment proposes can be achieved by the year specified in such amendment.

**"(g) COMMON ECONOMIC ASSUMPTIONS.**—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall set forth the

common economic assumptions upon which such joint statement and conference report are based.

**"(h) BUDGET COMMITTEES CONSULTATION WITH STANDING COMMITTEES.**—The Committee on the Budget of each House shall consult with the standing committees of its House during the preparation, consideration, and enforcement of the concurrent resolution on the budget with respect to all matters which relate to the jurisdiction or functions of such committees.

**"(i) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.**—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget for a fiscal year under this section, or to consider any amendment to such a concurrent resolution, or to consider a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) Paragraph (1) of this subsection shall not apply if a declaration of war by the Congress is in effect.

#### "COMMITTEE ALLOCATIONS

**"SEC. 302. (a) ALLOCATION FOR DISCRETIONARY ACTION.**—For purposes of controlling congressional action as described by sections 311 and 312, the report accompanying a concurrent resolution on the budget for a fiscal year and the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget for a fiscal year shall include an allocation for discretionary action for such fiscal year, or for the total of such fiscal year and the ensuing fiscal year, or for the total for such fiscal year and each of the two ensuing years, based upon such concurrent resolution as reported or as recommended in such conference report, of new budget authority (excluding such authority to cover entitlement authority in the case of the Committee on Appropriations), new spending authority as described in section 401(c)(2), new direct loan obligations and new primary loan guarantee commitments to each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions that would implement such action. The allocation provided under this subsection shall not extend beyond the assumed duration of the programs intended to be covered by the allocation.

**"(b) REPORTS BY COMMITTEES.**—As soon as practicable after a conference report on a concurrent resolution on the budget is agreed to—

"(1) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees the allocation for discretionary action allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution; and

"(2) every other committee of the House and Senate to which an allocation for discretionary action was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made, subdivide its allocation



among its subcommittees or among programs over which it has jurisdiction.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection only if it is given a discretionary action allocation in the joint explanatory statement accompanying the conference report on such concurrent resolution.

"(c) **LEGISLATION SUBJECT TO POINT OF ORDER.**—It shall not be in order in the House of Representatives or the Senate to consider any bill, resolution, amendment, or conference report providing budget authority, spending authority as described in section 401(c)(2), or credit authority within the jurisdiction of any committee until such committee reports to the House the subdivisions required by subsections (b) and (e) for the applicable year in connection with the most recently agreed to concurrent resolution on the budget.

"(d) **SUBSEQUENT CONCURRENT RESOLUTIONS.**—In the case of a concurrent resolution on the budget referred to in section 304, the allocations under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the most recently agreed to concurrent resolution on the budget.

"(e) **DIVISION OF BUDGET TOTALS AMONG COMMITTEES.**—

"(1) For purposes of information, the report accompanying a concurrent resolution on the budget and the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated division, based upon such concurrent resolution recommended in such report or in such conference report of the appropriate levels of total budget outlays, total new budget authority, total entitlement authority, total direct loan obligations, and total primary loan guarantee commitments among each committee of the House of Representatives and the Senate which has jurisdiction over such authorities.

"(2) As soon as practicable after any such conference report is filed—

"(A) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees its share of the estimated division of budget outlays set forth in such conference report; and

"(B) every other committee of the House and Senate with respect to which an estimated division of budget outlays is made in such conference report shall, after consulting with the committee or committees of the other House to which all or part of such subdivision is made, subdivide its share of the estimated division of budget outlays among its subcommittees or among programs over which it has jurisdiction.

"(f) **ALTERATION OF 302(b) ALLOCATIONS.**—At any time after a committee reports the allocations required to be made under section 302(b), such committee may report to its House an alteration of such allocations. Any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.

"CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY OR CHANGES IN REVENUES OR THE PUBLIC DEBT LIMIT IS CONSIDERED

"SEC. 303. (a) **IN GENERAL.**—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) as reported to the House or Senate which provides—

"(1) new budget authority for a fiscal year;

"(2) an increase or decrease in revenues to become effective during a fiscal year;

"(3) an increase or decrease in the public debt limit to become effective during a fiscal year;

"(4) new spending authority described in section 401(c)(2) to become effective during a fiscal year; or

"(5) new credit authority for a fiscal year; until the concurrent resolution on the budget for such fiscal year has been agreed to pursuant to section 301.

"(b) **EXCEPTIONS.**—Subsection (a) does not apply to any bill or resolution (or amendment thereto) which—

"(1) provides new budget authority which first becomes effective in the second fiscal year (or any fiscal year after the second fiscal year) following the fiscal year in which the bill or resolution (or amendment thereto) is to be considered by the House or Senate; or

"(2) provides for increases or decreases in revenues which first become effective in the second fiscal year (or any fiscal year after the second fiscal year) following the fiscal year in which the bill or resolution (or amendment thereto) is to be considered by the House or Senate.

After May 15 of any calendar year, subsection (a) does not apply in the House of Representatives to any general appropriation bill, or amendment thereto, which provides new budget authority for the fiscal year beginning in such calendar year.

"(c) **WAIVER IN THE SENATE.**—

"(1) The committee of the Senate which reports any bill or resolution (or amendment thereto) to which subsection (a) applies may at or after the time it reports such bill or resolution (or amendment thereto), report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution (or amendment thereto), and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

"(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or

appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

"(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) shall not apply with respect to the bill or resolution (or amendment thereto) to which the resolution so agreed to applies.

"PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET

"SEC. 304. (a) **IN GENERAL.**—At any time after the concurrent resolution on the budget for a fiscal year has been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises the concurrent resolution on the budget for such fiscal year most recently agreed to.

"(b) **MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.**—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider any concurrent resolution on the budget for a fiscal year under this section, or to consider any amendment to such a concurrent resolution, or to consider a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) Paragraph (1) of this subsection shall not apply if a declaration of war by the Congress is in effect.

"PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET

"SEC. 305. (a) **PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.**—

"(1) When the Committee on the Budget of the House has reported any concurrent resolution on the budget, it is in order at any time after the fifth day (excluding Saturdays, Sundays, and legal holidays) following the day on which the report upon such resolution by the Committee on the Budget has been available to Members of the House and, if applicable, after the first day (excluding Saturdays, Sundays, and legal holidays) following the day on which a report upon such resolution by the Committee on Rules pursuant to section 301(c) has been made available to Members of the House (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(2) General debate on any concurrent resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties, plus such additional hours of debate as are consumed pursuant to paragraph (3). A

motion further to limit debate is not debatable. A motion to recommit the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

"(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

"(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Full Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

"(5) Consideration of any concurrent resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be considered for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

"(6) Debate in the House of Representatives on the conference report on any concurrent resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

"(7) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any concurrent resolution on the budget shall be decided without debate.

"(b) PROCEDURE IN SENATE AFTER REPORT OF COMMITTEE; DEBATE; AMENDMENTS.—

"(1) Debate in the Senate on any concurrent resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours, except that with respect to any concurrent resolution referred to in section 304(a), all such debate shall be limited to not more than 15 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

"(2) Debate in the Senate on any amendment to a concurrent resolution on the budget shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, and debate on any amend-

ment to an amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of such concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

"(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the Senate, there shall be a period of up to four hours for debate on economic goals and policies.

"(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the Senate sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946), which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

"(5) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

"(6) Notwithstanding any other rule, an amendment or series of amendments to a concurrent resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolution so as to make such concurrent resolution mathematically consistent or so as to maintain such consistency.

"(c) CONSIDERATION OF PROCEDURES OR MATTERS WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF THE HOUSE OF REPRESENTATIVES.—

"(1)(A) With respect to any report of a committee of conference on a concurrent resolution on the budget called up before the House containing any procedure or matter which has the effect of changing any rule of the House of Representatives and which was not included in the measure as passed by the House, it shall be in order, at any time after the reading of the report has been completed or dispensed with and before the reading of the statement, or immediately upon consideration of a conference report if clause 2(c) of Rule XXVIII of the Rules of the House of Representatives applies, to offer a motion, which is of high privilege, that the House reject such procedure or matter. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

"(B) Notwithstanding the final disposition of any motion made under this paragraph, it shall be in order to offer further motions to reject with respect to other procedures or matters in the report of the committee of conference not covered by any previous motion to reject.

"(C) If any such motion to reject has been adopted, after final disposition of all such motions under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 4 of Rule XXVIII of the Rules of the House of Representatives, the conference report shall be considered as rejected and the question then pending before the House shall be—

"(i) whether to recede and concur in the Senate amendment with an amendment which shall consist of that portion of the conference report not rejected; or

"(ii) whether to insist further on the House amendment.

If all such motions to reject are defeated, then, after the allocation of time for debate on the conference report as provided in clause 2(a) of Rule XXVIII of the Rules of the House of Representatives, it shall be in order to move the previous question on the adoption of the conference report.

"(2)(A) With respect to any amendment (including an amendment in the nature of a substitute) which—

"(i) is proposed by the Senate to any concurrent resolution on the budget and thereafter—

"(I) is reported in disagreement between the two Houses by a committee of conference; or

"(II) is before the House, the stage of disagreement having been reached; and

"(ii) contains any procedure or matter which has the effect of changing any rule of the House of Representatives and which was not included in the measure as passed the House;

it shall be in order, immediately after a motion is offered that the House recede from its disagreement to such amendment proposed by the Senate and concur therein and before debate is commenced on such motion, to offer a motion, which is of high privilege, that the House reject the procedure or matter. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

"(B) Notwithstanding the final disposition of any motion made under subparagraph (A), it shall be in order to offer further such motions with respect to other procedures or matters in the amendment proposed by the Senate not covered by any previous motion to reject.

"(C) If any such motion to reject has been adopted, after final disposition of all motions to reject under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 5 of Rule XXVIII of the Rules of the House of Representatives, the motion to recede and concur shall be considered as rejected, and further motions—

"(i) to recede and concur in the Senate amendment with an amendment, where appropriate (but the offering of which is not in order unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration);



"(ii) to insist upon disagreement to the Senate amendment and request a further conference with the Senate; and

"(iii) to insist upon disagreement to the Senate amendment;

shall remain of high privilege for consideration by the House. If all such motions to reject are defeated, then, after the allocation of time for debate on the motion to recede and concur as provided in clause 2(b) of Rule XXVIII of the Rules of the House of Representatives, it shall be in order to move the previous question on such motion.

"(D)(i) With respect to any such amendment proposed by the Senate as described in subparagraph (A)(i) of this paragraph, it shall not be in order to offer any motion that the House recede from its disagreement to such Senate amendment and concur therein with an amendment, unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration.

"(ii) Immediately after any such motion is offered and is in order and before debate is commenced on such motion, it shall be in order to offer a motion, which is of high privilege, that the House reject any procedure or matter which has the effect of changing any rule of the House of Representatives which is contained in the Senate amendment as proposed to be amended by such motion or which is contained in the proposed amendment to the Senate amendment, and which was not included in the concurrent resolution on the budget as passed by the House. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

"(iii) Notwithstanding the final disposition of any motion under clause (ii), it shall be in order to make further such motions with respect to other procedures or matters in the language of the Senate amendment, as proposed to be amended by the motion, or in the proposed amendment to the Senate amendment, not covered by any previous motion to reject.

"(E) If any such motion to reject has been adopted, after final disposition of all motions to reject under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 5 of Rule XXVIII of the Rules of the House of Representatives, the motion to recede and concur in the Senate amendment with an amendment shall be considered as rejected, and further motions—

"(i) to recede and concur in the Senate amendment with an amendment, where appropriate (but the offering of which is not in order unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration);

"(ii) to insist upon disagreement to the Senate amendment and request a further conference with the Senate; and

"(iii) to insist upon disagreement to the Senate amendment;

shall remain of high privilege for consideration by the House. If all such motions to reject are defeated, then, after the allocation of time for debate on the motion to recede and concur in the Senate amendment with an amendment as provided in clause 2(b) of Rule XXVIII of the Rules of the House of Representatives, it shall be in order to move the previous question on such motion.

"(F) If, on a division of a motion that the House recede and concur, with or without amendment, from its disagreement to any such Senate amendment as described in subparagraph (A) of this paragraph, the House agrees to recede, then, before debate is commenced on concurring in such Senate amendment, or on concurring therein with an amendment, it shall be in order to make motions to reject with respect to such Senate amendment in accordance with applicable provisions of this clause and to effect final determination of these matters in accordance with such provisions.

"(d) ACTION ON CONFERENCE REPORTS IN THE SENATE—

"(1) The conference report on any concurrent resolution on the budget shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

"(2) During the consideration in the Senate of the conference report on any concurrent resolution on the budget, debate shall be limited to 10 hours, to be equally divided between them, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report.

"(3) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

"(4) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

"(e) REQUIRED ACTION BY CONFERENCE COMMITTEE.—If at the end of 7 days (excluding Saturdays, Sundays, and legal holidays) after the conferees of both Houses have been appointed to a committee of conference on a concurrent resolution on the budget, the conferees are unable to reach agreement with respect to all matters in disagreement between the two Houses, then the conferees shall submit to their respective Houses, on the first day thereafter on which their House is in session—

"(1) a conference report recommending those matters on which they have agreed and reporting in disagreement those matters on which they have not agreed; or

"(2) a conference report in disagreement, if the matter in disagreement is an amendment which strikes out the entire text of the concurrent resolution and inserts a substitute text.

"(f) CONCURRENT RESOLUTION MUST BE CONSISTENT IN THE SENATE.—It shall not be in order in the Senate to vote on the question of agreeing to—

"(1) a concurrent resolution on the budget unless the figures then contained in such resolution are mathematically consistent; or

"(2) a conference report on a concurrent resolution on the budget unless the figures contained in such resolution, as recommended in such conference report, are mathematically consistent.

"LEGISLATION DEALING WITH CONGRESSIONAL BUDGET MUST BE HANDLED BY BUDGET COMMITTEES

"SEC. 306. No bill or resolution, and no amendment to any bill or resolution, dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it is a bill or resolution which has been reported by the Committee on the Budget of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution.

"HOUSE COMMITTEE ACTION ON ALL APPROPRIATION BILLS TO BE COMPLETED BY JUNE 10

"SEC. 307. On or before June 10 of each year, the Committee on Appropriations of the House of Representatives shall report bills and resolutions providing new budget authority under the jurisdiction of all of its subcommittees for the fiscal year which begins on October 1 of that year.

"REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

"SEC. 308. (a) REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY, OR PROVIDING AN INCREASE OR DECREASE IN REVENUES OR TAX EXPENDITURES.—

"(1) Whenever a committee of either House reports to its House a bill or resolution, or committee amendment thereto, providing new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2), new credit authority, or providing an increase or decrease in revenues or tax expenditures for a fiscal year, the report accompanying that bill or resolution shall contain a statement, or the committee shall make available such a statement in the case of an approved committee amendment which is not reported to its House, prepared after consultation with the Director of the Congressional Budget Office—

"(A) comparing the discretionary action levels in any such measure to the allocations for discretionary action in the reports submitted under section 302(b) for the most recently agreed to concurrent resolution on the budget for such fiscal year;

"(B) comparing the outlays estimated to result from any such measure for such fiscal year with the estimated subdivisions of outlays in reports submitted under section 302(e) for the most recently agreed to concurrent resolution on the budget for such fiscal year;

"(C) including an identification of any new spending authority described in section 401(c)(2) which is contained in any such measure and a justification for the use of such financing method instead of annual appropriations;

"(D) containing a projection by the Congressional Budget Office of how any such measure will affect the levels of such spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments under existing law for such fiscal year and each of the four ensuing fiscal years;

"(E) setting forth the level of new budget authority for assistance to State and local governments provided by any such measure; and

"(F) comparing the levels provided by any such measure with the levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such measure for such fiscal year.

"(2) Whenever a conference report is filed in either House and such conference report or amendment reported in disagreement or any amendment contained in the joint statement of managers to be proposed by the conferees in the case of technical disagreement on such bill or resolution provides new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2), or new credit authority, or provides an increase or decrease in revenues for a fiscal year, the committee, after consultation with the Director of the Congressional Budget Office, shall make available to Members at least two hours prior to consideration of such conference report by the House of Representatives or Senate the matters described under subsection (a)(1).

"(b) UP-TO-DATE TABULATIONS OF CONGRESSIONAL BUDGET ACTION.—

"(1) The Director of the Congressional Budget Office shall issue to the committees of the House and the Senate reports on at least a monthly basis detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority, new spending authority described in section 401(c)(2), new credit authority, or providing an increase or decrease in revenues or tax expenditures for a fiscal year. Such reports shall include, but are not limited to—

"(A) an up-to-date tabulation comparing the appropriate aggregate and functional levels (including outlays) included in the most recently adopted concurrent resolution on the budget with levels provided in bills and resolutions reported by committees or adopted by either House or by the Congress, with levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such fiscal year;

"(B) an up-to-date tabulation comparing levels of discretionary action for a fiscal year in bills and resolutions reported by committees or adopted by either House or by the Congress with allocations for discretionary action in reports submitted under subsection (a) and (b) of section 302, with levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such fiscal year; and

"(C) an up-to-date tabulation comparing levels of budget outlays for a fiscal year estimated to result from bills and resolutions reported by committees or adopted by either House or by the Congress, or estimated to result from existing law within the jurisdiction of such committees with estimates of outlays in reports submitted under section 302(e).

"(2) The Committee on the Budget of each House shall make available to Members of its House summary budget scorekeeping reports. Such reports—

"(A) shall be made available on at least a monthly basis, but in any case, frequently enough to provide Members of each House an accurate representation of the current status of congressional consideration of the budget;

"(B) shall include, but are not limited to, summaries of tabulations provided under subsection (b)(1); and

"(C) shall be based on information provided under subsection (b)(1) without substantive revision.

The chairman of the Committee on the Budget of the House shall submit such reports to the Speaker and they shall be printed as House documents.

"(c) FIVE-YEAR PROJECTION OF CONGRESSIONAL BUDGET ACTION.—As soon as practicable after the beginning of each fiscal year, the Director of the Congressional Budget Office shall issue a report projecting for the period of 5 fiscal years beginning with such fiscal year—

"(1) total new budget authority and total budget outlays for each fiscal year in such period;

"(2) revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each fiscal year in such period;

"(3) tax expenditures for each fiscal year in such period;

"(4) entitlement authority for each fiscal year in such period; and

"(5) credit authority for each fiscal year in such period.

"HOUSE APPROVAL OF REGULAR APPROPRIATION BILLS

"SEC. 309. It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period of more than three calendar days during the month of July until the House of Representatives has approved bills and resolutions providing new budget authority under the jurisdiction of all the subcommittees of the Committee on Appropriations for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing appropriation bills and resolutions.

#### "RECONCILIATION

"SEC. 310. (a) INCLUSION OF RECONCILIATION DIRECTIVES IN CONCURRENT RESOLUTIONS ON THE BUDGET.—Any concurrent resolution on the budget shall, to the extent necessary to effectuate the provisions and requirements of such resolution, specify the total amount for such fiscal year, or the total amount for such fiscal year and the ensuing fiscal year, or the total amount for such fiscal year and the two ensuing fiscal years by which—

"(1) budget authority;

"(2) spending authority described in section 401(c)(2);

"(3) credit authority; or

"(4) revenues;

provided by laws, bills, and resolutions within the jurisdiction of a committee is to be changed and provide an estimate of the resulting change in budget outlays, and direct that committee to recommend legislation to accomplish a change of such total amount.

"(b) LEGISLATIVE PROCEDURE.—If a concurrent resolution is agreed to in accordance with subsection (a) containing directives to one or more committees to determine and recommend changes in laws, bills, or resolutions, and—

"(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House rec-

onciliation legislation containing such recommendations; or

"(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations and submit such recommendations to the Committee on the Budget of its House, which, upon receiving all such recommendations, shall report to its House reconciliation legislation carrying out all such recommendations without any substantive revision.

"(c) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS AND RESOLUTIONS.—

"(1) It shall not be in order in either the House of Representatives or the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution, or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution, unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the most recently agreed to concurrent resolution on the budget is not exceeded, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof, except that (A) in the House of Representatives a motion to strike a provision providing new budget authority or new spending authority as defined in section 401(c)(2)(C) of this Act may be in order, and (B) in the Senate a motion to strike a provision shall always be in order.

"(2) Paragraph (1) shall not apply if a declaration of war by the Congress is in effect.

"(3) For purposes of this section, the levels of budget outlays and Federal revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be.

"(4) The Committee on Rules of the House of Representatives may make in order amendments to achieve changes specified by reconciliation directives contained in a concurrent resolution on the budget if a committee or committees of the House fail to submit recommended changes to its Committee on the Budget pursuant to its instruction.

"(d) PROCEDURE IN THE SENATE.—

"(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills reported under subsection (b) and conference reports thereon.

"(2) Debate in the Senate on any reconciliation bill reported under subsection (b), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

"(e) COMPLETION OF RECONCILIATION PROCESS IN THE HOUSE OF REPRESENTATIVES.—It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period for more than three calendar days during the month of July until the House of Representatives has completed action on the reconciliation legislation for the fiscal year beginning on October 1 of the calendar year to which the adjournment resolution pertains, if reconciliation legislation is required to be reported



by the concurrent resolution on the budget for such fiscal year.

"(f) LIMITATION ON CHANGES TO THE SOCIAL SECURITY ACT.—Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304, or any amendment thereto or conference report thereon, that contains recommendations with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

"NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY, AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

"SEC. 311. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—Except as provided by subsection (b), after the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority, new spending authority described in section 401(c)(2), or new credit authority to become effective during such fiscal year, or reducing revenues for such fiscal year, or any conference report on any such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new budget authority, total budget outlays, total entitlement authority, total direct loan obligations, or total primary loan guarantee commitments set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues to be less than the appropriate level of total revenues set forth in such concurrent resolution.

"(b) EXCEPTION.—Subsection (a) shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the allocation for discretionary action for such committee of new budget authority, new spending authority as described in section 401(c)(2), new direct loan obligations or new primary loan guarantee commitments made pursuant to section 302(a) for such fiscal year, or for the total of such fiscal year and the ensuing fiscal year, or for the total of such fiscal year and the two ensuing years to be exceeded.

"(c) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, direct loan obligations, primary loan guarantee commitments, spending authority as described by section 401(c)(2), and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be.

#### "COMMITTEE ALLOCATION CONTROLS

"SEC. 312. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—After the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority, new spending authority as described in section 401(c)(2), or new credit authority to become effective during such fiscal year or in a subsequent fiscal year, or any conference report on any such bill or resolution, if—

"(1) the enactment of such bill or resolution as reported;

"(2) the adoption and enactment of such amendment; or

"(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause an allocation for discretionary action to a committee made pursuant to section 302(a) for such fiscal year (or, if such allocation is for the total of such fiscal year and the ensuing fiscal year, then the two-year total; or, if such allocation is for the total of such fiscal year and the two ensuing fiscal years, then the three-year total) of new budget authority, new spending authority as described in section 401(c)(2), or new direct loan obligations and new primary loan guarantee commitments to be exceeded.

"(b) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, budget outlays, spending authority as described in section 401(c)(2), direct loan obligations, and primary loan guarantee commitments for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be.

#### Subpart II—Amendments to Title IV of the Congressional Budget Act of 1974

##### SEC. 211. NEW SPENDING AUTHORITY.

(a) CONTROLS ON LEGISLATION PROVIDING CONTRACT OR BORROWING AUTHORITY.—Subsection (a) of section 401 of the Congressional Budget Act of 1974 is amended by inserting "CONTROLS ON" before "LEGISLATION", by striking out "or resolution" and inserting in lieu thereof "resolution, or conference report, as reported to its House" and by inserting "conference report" after "resolution" the second time it appears therein.

(b) POINT OF ORDER.—Subsection (b) of such section is amended to read as follows:

"(b) CONTROLS ON PROVISIONS OF LEGISLATION PROVIDING OTHER NEW SPENDING AUTHORITY.—No provision of any bill, joint resolution, or resolution shall be reported by any committee, or be in order in any amendment thereto or conference report thereon, in the House of Representatives or the Senate, which provides new spending authority as described in subsection (c)(2) (D) or (E) unless that bill, joint resolution, or resolution, as reported, or amendment thereto or conference report thereon, also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts. A point of order with respect to such new spending authority (except as to conference reports) may be raised at any time."

(c) DEFINITION OF NEW SPENDING AUTHORITY.—Paragraph (1) of subsection (c) of such section is amended by inserting before the period at the end thereof the following:

"except for subparagraphs (D) and (E) of paragraph (2), for which 'new spending au-

thority' for purposes of this section means spending authority not provided by law on the effective date of those subparagraphs, including any increase in or addition to spending authority provided by law on such date".

(d) DEFINITION OF SPENDING AUTHORITY.—Paragraph (2) of subsection (c) of such section is amended by striking out "and" at the end of subparagraph (B), by striking out the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon, and by inserting after subparagraph (C) the following new subparagraphs:

"(D) to forego collection of proprietary offsetting receipts, the budget authority for which is not provided in advance by appropriation Acts to offset such foregone receipts; and

"(E) to make payments (including loans, grants, and payments from revolving funds) other than those covered by subparagraph (A), (B), (C), or (D), the budget authority for which is not provided in advance by appropriation Acts".

(e) ESTIMATES.—Such section 401 is further amended by inserting at the end thereof the following new subsection:

"(e) ESTIMATES.—For purposes of this Act, estimates of new entitlement authority shall be measured as the cost increase or decrease from law as such law exists at the time of consideration of a bill, resolution, or conference report providing such entitlement authority. Estimates of new entitlement authority for entitlements financed by trust funds or revolving funds shall be based on estimated outlays from such funds".

##### SEC. 212. CREDIT AUTHORITY.

Section 402 of the Congressional Budget Act of 1974 is amended to read as follows:

#### "LEGISLATION PROVIDING NEW CREDIT AUTHORITY

"SEC. 402. (a) CONTROLS ON LEGISLATION PROVIDING NEW CREDIT AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or conference report, as reported to its House, or any amendment which provides new credit authority described in subsection (b)(1), unless that bill, resolution, conference report, or amendment also provides that such new credit authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

"(b) DEFINITIONS.—

"(1) For purposes of this Act, the term 'new credit authority' means credit authority not provided by law on the effective date of this section, including any increase in or addition to credit authority provided by law on such date.

"(2) For purposes of this Act, the term 'credit authority' means authority to incur direct loan obligations or to incur primary loan guarantee commitments".

##### SEC. 213. DESCRIPTION BY CONGRESSIONAL BUDGET OFFICE.

(a) CONGRESSIONAL BUDGET OFFICE ANALYSIS.—Subsection (a) of section 403 of the Congressional Budget Act of 1974 is amended by striking out "and" at the end of paragraph (2), by striking out the period and inserting "and" at the end of paragraph (3), and by inserting at the end thereof the following new paragraph:

"(4) a description of each method for establishing a Federal financial commitment contained in such bill or resolution".

(b) CONFORMING AMENDMENT.—The second sentence of subsection (a) of such section is amended by striking out "estimates and

comparison" and inserting in lieu thereof "estimates, comparison, and description".

#### SEC. 214. GENERAL ACCOUNTING OFFICE STUDY.

Title IV of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new sections:

"STUDY BY THE GENERAL ACCOUNTING OFFICE OF FORMS OF FEDERAL FINANCIAL COMMITMENT THAT ARE NOT REVIEWED ANNUALLY BY CONGRESS

"SEC. 405. The General Accounting Office shall study those provisions of law which provide spending authority as described by section 401(c)(2) and which provide permanent appropriations, and report to the Congress its recommendations for the appropriate form of financing for activities or programs financed by such provisions not later than eighteen months after the effective date of this section. Such report shall be revised from time to time.

#### "OFF-BUDGET AGENCIES, PROGRAMS AND ACTIVITIES

"SEC. 406. (a) Notwithstanding any other provision of law, budget authority, credit authority, and estimates of outlays and receipts for activities of the Federal budget which are presently off-budget, including all activities of the Federal Financing Bank, the Rural Electrification Administration and Telephone Revolving Fund and the Rural Telephone Bank, the Strategic Petroleum Reserve Account, the United States Synthetic Fuels Corporation and the United States Railway Association shall be included in a budget submitted pursuant to section 1105 of title 31, United States Code, and in a concurrent resolution on the budget reported pursuant to section 301 of the Congressional Budget Act of 1974 and shall be considered, for purposes of such Act, budget authority, outlays, and spending authority in accordance with definitions set forth in such Act.

"(b) All receipts and disbursements of the Federal Financing Bank with respect to any obligations which are issued, sold, or guaranteed by a Federal agency shall be treated as a means of financing such agency for purposes of section 1105 of title 31, United States Code, and for purposes of the Congressional Budget Act of 1974.

"(c) If any committee of either House reports any bill containing a provision or provisions having the effect of exempting any department, agency, program or activity of the United States Government from the provisions of section 1105 of title 31, United States Code, or the provisions of the Congressional Budget Act of 1974, such bill shall be referred to the Committee on Government Operations in the House of Representatives or to the Committee on Governmental Affairs in the Senate, and such Committee shall have the jurisdiction to report any bill referred to it under this section with an amendment or amendments, which change or strike out any such provision or provisions.

#### "MEMBER USER GROUP

"SEC. 407. The Speaker of the House of Representatives, after consulting with the Minority Leader of such House, shall appoint a Member User Group for the purpose of reviewing budgetary scorekeeping rules and practices of the House and advising the Speaker from time to time on the effect and impact of such rules and practices. Estimates made by the House Budget Committee under section 311 and section 312 shall be made in accordance with such scorekeeping rules and practices".

#### Subpart III—Additional Provisions to Improve Budget Procedures

##### SEC. 221. CONGRESSIONAL BUDGET OFFICE.

(a) APPOINTMENT OF DIRECTOR.—Paragraph (2) of section 201(a) of the Congressional Budget Act of 1974 is amended by striking out "Committees on the Budget" and inserting in lieu thereof "committees".

(b) REPORTING DATE.—Paragraph (1) of section 202(f) of the Congressional Budget Act of 1974 is amended by striking out "April 1" and inserting in lieu thereof "February 15".

(c) ADDITIONAL REPORTING REQUIREMENT.—Subsection (f) of section 202 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new paragraphs:

"(3) On or before the first Monday after January 3 of each year, the Director, after consultation with the appropriate committees of the House of Representatives and Senate, shall submit to the Congress a report listing (A) all programs and activities funded during the fiscal year ending September 30 of that calendar year for which authorizations for appropriations have not been enacted for that fiscal year, and (B) all programs and activities for which authorizations for appropriations have been enacted for the fiscal year ending September 30 of that calendar year, but for which no authorizations for appropriations have been enacted for the fiscal year beginning October 1 of that calendar year.

"(4) Baseline projections of permanent authority prepared pursuant to this subsection, including but not limited to revenues, entitlements (including appropriated entitlements), other mandatory spending, and credit authority shall assume that current laws continue unchanged, except for the extension of temporary provisions for which continuation is routine. Baseline projections of discretionary appropriations shall assume a continuation of current year funding with an adjustment for inflation, except with respect to any report made under the Balanced Budget and Emergency Deficit Control Act of 1985."

(d) STUDIES.—Section 202 of the Congressional Budget Act of 1974 is amended by inserting at the end thereof the following new subsections:

"(h) STUDIES.—The Director shall conduct continuing studies to enhance comparisons of budget outlays, credit authority, and tax expenditures.

"(i) TAX EXPENDITURES INVENTORY.—On or before February 15 of each year, the Director, after consultation with the Joint Committee on Taxation, shall submit to the Congress an inventory of all provisions of law providing tax expenditures and the items of such inventory shall be regarded for purposes of this Act as tax expenditures".

##### SEC. 222. CURRENT SERVICES BUDGET.

The first sentence of section 605(a) of the Congressional Budget Act of 1974 is amended by striking out "On or before November 10 of each year (beginning with 1975)" and inserting in lieu thereof the following: "On or before the first Monday after January 3 of each year (beginning with 1985)".

##### SEC. 223. STUDY OF OFF-BUDGET AGENCIES.

Section 606 of the Congressional Budget Act of 1974 is repealed.

##### SEC. 224. CHANGES IN FUNCTIONAL CATEGORIES.

Section 802 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following sentence: "Committees of the House of Representatives and Senate shall receive prompt notification of all such changes".

#### SEC. 225. JURISDICTION OF COMMITTEE ON GOVERNMENT OPERATIONS.

Clause 1(f) of Rule X of the Rules of the House of Representatives is amended by inserting after item (5) the following new item:

"(6) Budgetary treatment of agencies or programs referred to the committee pursuant to section 406 of the Congressional Budget Act of 1974".

#### SEC. 226. CONTINUING STUDY OF CONGRESSIONAL BUDGET PROCESS.

Clause 3 of Rule X of the Rules of the House of Representatives is amended by inserting at the end thereof the following:

"(i) The Committee on Rules shall have the function of reviewing and studying, on a continuing basis, the congressional budget process, and the committee shall, from time to time, report its findings and recommendations to the House".

#### SEC. 227. EARLY ELECTION OF COMMITTEES OF THE HOUSE.

Clause 6(a)(1) of Rule X of the Rules of the House of Representatives is amended by striking out "at" and by inserting in lieu thereof "within the seventh calendar day beginning after", and by inserting at the end thereof the following new sentence: "It shall always be in order to consider resolutions recommended by the respective party caucuses to change the composition of standing committees".

#### SEC. 228. RESCISSIONS AND TRANSFERS IN APPROPRIATION BILLS.

(a) RESCISSIONS.—Clause 2(b) of Rule XXI of the Rules of the House of Representatives is amended by inserting before the period at the end thereof the following: ", and except rescissions of appropriations contained in appropriation Acts".

(b) TRANSFERS.—Clause 6 of Rule XXI of the Rules of the House of Representatives is amended by inserting before the period at the end thereof the following: ", and shall not apply to transfers of unexpended balances within the department or agency for which they were originally appropriated, reported by the Committee on Appropriations."

#### Subpart IV—Technical and Conforming Amendments

##### SEC. 231. TABLE OF CONTENTS.

The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 with respect to title III is amended to read as follows:

#### "TITLE III—CONGRESSIONAL BUDGET PROCESS

"Sec. 300. Timetable.

"Sec. 301. Annual adoption of concurrent resolution on the budget.

"Sec. 302. Committee allocations.

"Sec. 303. Concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, new credit authority or changes in revenues or the public debt limit is considered.

"Sec. 304. Permissible revisions of concurrent resolutions on the budget.

"Sec. 305. Procedures relating to consideration of concurrent resolutions on the budget.

"Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.

"Sec. 307. House committee action on all appropriation bills to be completed by June 10.

"Sec. 308. Reports, summaries, and projec-



tions of congressional budget actions.

"Sec. 309. House approval of regular appropriation bills.

"Sec. 310. Reconciliation.

"Sec. 311. New budget authority, new spending authority, new credit authority, and revenue legislation must be within appropriate levels.

"Sec. 312. Committee allocation controls".

#### SEC. 232. ADDITIONAL TECHNICAL AND CONFORMING AMENDMENTS.

(a) **TABLE OF CONTENTS.**—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by—

(1) striking out the item relating to section 402 and inserting in lieu thereof the following new item:

"Sec. 402. Legislation providing new credit authority."

(2) inserting after the item relating to section 404 the following new items:

"Sec. 405. Study by the General Accounting Office of forms of Federal financial commitment that are not reviewed annually by Congress.

"Sec. 406. Off-budget agencies, programs, and activities.

"Sec. 407. Member user group."; and

(3) striking out the item relating to section 606.

(b) **TECHNICAL AMENDMENT.**—Paragraph (4) of section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended—

(1) by adding "and" after the semicolon at the end of subparagraph (A);

(2) by striking out subparagraph (B); and

(3) by redesignating subparagraph (C) as subparagraph (B).

(c) **TECHNICAL AMENDMENT.**—Subparagraph (2) of clause 4(b) of rule X of the Rules of the House of Representatives is amended by striking out "first concurrent resolution" and inserting in lieu thereof "concurrent resolutions".

(d) **TECHNICAL AMENDMENT.**—Clause 4(g) of rule X of the Rules of the House of Representatives is amended by striking out "March 15" and inserting in lieu thereof "February 25".

(e) **TECHNICAL AMENDMENT.**—Clause 2(f)(1) of rule XI of the Rules of the House of Representatives is amended—

(1) by striking out "(except as provided in subdivision (C))" in subparagraph (A) thereof; and

(2) by repealing subparagraph (C) thereof.

(f) **TECHNICAL AMENDMENT.**—Clause 2(f)(3)(B) of rule XI of the Rules of the House of Representatives is amended by inserting "(1)" after "section 308(a)" and by striking out "new budget authority or new or increased tax expenditures" and inserting in lieu thereof "new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2) of such Act, new credit authority, or an increase or decrease in revenues or tax expenditures".

(g) **TECHNICAL AMENDMENT.**—Rule XLIX of the Rules of the House of Representatives is amended by striking out "304, or 310" in clause 1 and inserting in lieu thereof "or 304".

#### PART B—BUDGET SUBMITTED BY THE PRESIDENT

##### SEC. 241. SUBMISSION OF PRESIDENT'S BUDGET; MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.

(a) **SUBMISSION OF PRESIDENT'S BUDGET.**—The first sentence of section 1105(a) of title 31, United States Code, is amended by striking out "During the first 15 days of each regular session of Congress" and inserting in lieu thereof the following: "On or before the first Monday after January 3 of each year".

(b) **LEGISLATIVE RECOMMENDATIONS.**—Subsection (a) of such section is amended by inserting after the second sentence thereof the following new sentence: "Not later than two weeks after submission of the budget, the Office of Management and Budget shall submit to Congress the text of legislation necessary to implement budget proposals affecting revenues and spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974".

(c) **MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.**—Section 1105 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974.

"(2) The deficit set forth in the budget so transmitted for any fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

"(3) Paragraphs (1) and (2) shall not apply if a declaration of war by the Congress is in effect."

##### SEC. 242. SUPPLEMENTAL BUDGET ESTIMATES AND CHANGES.

(a) **CHANGE IN DATE OF SUBMISSION.**—The first sentence of section 1106(b) of title 31 of the United States Code is amended by striking out "April 11 and".

(b) **REVISIONS AND SUPPLEMENTAL SUMMARIES.**—Section 1106 of title 31 of such Code is further amended by adding at the end thereof the following new subsection:

"(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the same extent that such subsection applies to the budget submitted under section 1105(a) to which such revisions and summaries relate."

##### SEC. 243. CURRENT SERVICES BUDGET.

The first sentence of section 1109(a) of title 31, United States Code, is amended by striking out "Before November 11 of each year" and inserting in lieu thereof the following: "On or before the first Monday after January 3 of each year".

#### PART C—EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT

##### SEC. 251. REPORTING OF EXCESS DEFICITS.

(a) **INITIAL ESTIMATES, DETERMINATIONS, AND CBO REPORT.**—

(1) **IN GENERAL.**—The Director of the Congressional Budget Office (hereafter in this part referred to as the "Director") shall with respect to any fiscal year—

(A) estimate the levels of total revenues and budget outlays that may be anticipated

for such fiscal year as of August 15 of the calendar year in which such fiscal year begins (or as of the 9th day after the enactment of this Act in the case of the fiscal year 1986),

(B) determine whether the deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year and whether such excess will be greater than \$10,000,000,000, and

(C) estimate the rate of real economic growth that will occur during such fiscal year.

(2) **REPORT.**—The Director shall report to the President and to the Congress on August 20 of the calendar year in which such fiscal year begins (or on the 14th day after the date of the enactment of this Act in the case of the fiscal year 1986), identifying the amount of any excess, stating whether such excess is greater than \$10,000,000,000, specifying the estimated rate of real economic growth for such fiscal year and whether the estimate includes two or more consecutive quarters of negative economic growth, and specifying, by program, project, activity, or account, the percentages by which automatic spending increases and controllable expenditures (whether or not such increases and expenditures are included in the totals of the budget of the United States Government) must be reduced during such fiscal year in order to eliminate any such excess. Such report must specify (with respect to the fiscal year involved)—

(A) the new automatic spending increase in the case of each program providing for such increases;

(B) the manner in which reductions are to be made under the program (with an explanation of the percentage to be applied in making such reductions) in the case of medicare, child support enforcement, and guaranteed student loans; and

(C) the percentage reduction in outlays in each direct spending program, in new budget authority in the case of each discretionary account, in new loan guarantee commitments, in new direct loan obligations, and in accounts controlled by limitations or obligational ceilings.

(3) **ESTIMATES, DETERMINATIONS, AND SPECIFICATIONS.**—The estimates, determinations, and specifications of the Director under paragraphs (1) and (2) and under subsection (c)—

(A) shall be made by the Director in consultation with the Director of the Office of Management and Budget; and

(B) shall utilize the baseline, criteria, and guidelines set forth in paragraph (4), in section 254, and in the other relevant provisions of this part (using the same economic and technical assumptions as those which were used in the Director's August report in making such estimates, determinations, and specifications with respect to the fiscal year 1986).

(4) **BUDGET BASELINE.**—In computing the percentages by which automatic spending increases and controllable expenditures (whether or not included in the totals of the budget of the United States Government) must be reduced during a fiscal year as set forth in any report required under this subsection or subsection (c) for such fiscal year, the budget baseline shall be determined by—

(A) assuming current law for revenues, entitlements, and other mandatory spending;

(B) assuming the prior year's appropriations for discretionary expenditures unless a regular appropriation or a continuing appropriation for the entire fiscal year has been enacted;

(C) assuming that expiring provisions of law providing revenues, entitlements, and other mandatory spending do expire, except that excise taxes dedicated to a trust fund and agricultural price support programs administered through the Commodity Credit Corporation would be extended at current rates; and

(D) assuming (i) that Federal pay adjustments for statutory pay systems will be as recommended by the President, but in no case will be less than zero, and (ii) that Medicare spending levels for inpatient hospital services will be based upon the regulations most recently issued by the Health Care Financing Administration pursuant to sections 1886(b)(3)(B), 1886(d)(3)(A), and 1886(e)(4) of the Social Security Act.

(5) ORDER NOT REQUIRED IF CONGRESSIONAL ACTION HAS BEEN TAKEN TO ELIMINATE THE DEFICIT.—If by August 15 of the calendar year in which a fiscal year begins the Congress (with respect to that fiscal year) has agreed to a concurrent resolution on the budget, completed action on one or more reconciliation bills, and completed action on all regular appropriation bills, the Director (before submitting a report under this section) shall determine whether (using updated economic assumptions) the excess deficit identified as described in paragraph (2) would be eliminated under the congressional actions so taken. If the Director determines that such excess deficit has in fact been so eliminated or would be eliminated upon the enactment of such reconciliation bill or bills and such regular appropriation bills, the report submitted under this section with respect to the fiscal year involved shall so state and no order shall be issued under section 252 with respect to that fiscal year.

(b) GENERAL ACCOUNTING OFFICE REPORT.—On or before September 15 of the calendar year (except for the calendar year 1985) in which the fiscal year begins and in which the President has issued an order under section 252(a) on the basis of the Director's report under subsection (a), the Comptroller General shall report to the Congress on the extent to which such order embodies the determinations and specifications contained in such report, with particular reference to whether or not the reductions made by such order are uniform and applicable across the board as required by this part, either certifying that the order fully and accurately embodies such determinations and specifications or indicating the respects in which it does not.

(c) REVISED ESTIMATES, DETERMINATIONS, AND CBO REPORT.—On October 5 of the fiscal year (or before December 15 in the case of the fiscal year 1986), the Director shall submit to the President and the Congress a revised report—

(1) indicating whether and to what extent, as a result of laws enacted after the submission of the initial report under subsection (a) of this section, the excess deficit identified in the report submitted under such subsection has been reduced or eliminated, and

(2) adjusting the determinations made under subsection (a) to the extent necessary. The revised report submitted under this subsection shall be based on the same economic and technical assumptions as those used in the report submitted under subsection (a)(2), but shall take into account information which may have become available such as the levels of automatic spending increases and the Medicare increase rates.

(d) EXCEPTION.—The preceding provisions of this section shall not apply if a declaration of war by the Congress is in effect.

#### SEC. 252. PRESIDENTIAL ORDER.

(a) ISSUANCE OF INITIAL ORDER.—(1) On September 1 following the submission of the report by the Director under section 251(a)(2) which identifies an amount greater than \$10,000,000,000 (\$0 in the case of the fiscal year 1986) by which the deficit for a fiscal year will exceed the maximum deficit amount for such fiscal year (or on the 14th day after the submission by the Director of the report under section 251(a)(2) in the case of the fiscal year 1986), the President, subject to the exemptions, exceptions, limitations, and special rules set forth in sections 253 and 254, shall eliminate the full amount of the deficit excess by issuing an order that—

(A) notwithstanding the Impoundment Control Act of 1974, eliminates one-half of such excess by modifying or suspending the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a manner as to reduce by a uniform percentage (not below zero) the automatic spending increase under each such provision;

(B) reduces outlays under the foster care and adoption assistance programs, the guaranteed student loan program, and the Medicaid program in the manner more particularly described in subsections (g), (j), and (o) of section 254, but not by more than the percentage reductions to be applied under subparagraph (C); and

(C) eliminates the remainder of such excess by sequestering outlays for direct spending programs, new budget authority, new direct loan obligations, and obligation limitations—

(i) for funds provided in annual appropriations Acts, from each affected program, project, and activity (as defined in the most recently enacted applicable appropriations Acts and accompanying committee reports for the program, project, or activity in question—including joint resolutions providing continuing appropriations and committee reports accompanying Acts referenced in such resolutions) or from each affected budget account if not so defined, and

(ii) for funds not provided in annual appropriations Acts, from each budget account activity as identified in the program and financing schedules contained in the appendix to the Budget of the United States, with the resulting reduction being proportional to total outlays in the case of direct spending programs and to new budget authority, new loan guarantee commitments, new direct loan obligations, or obligation limitations in the case of discretionary programs.

The percentage reduction for programs described in subparagraph (C) shall be calculated in the following manner: The outlay reductions made in the programs described in subparagraphs (A) and (B) shall be subtracted from the total required outlay reductions, and this amount shall then be divided by the total controllable expenditures in the accounts under subparagraph (C). The ratio so derived shall be applied to reduce new budget authority, new loan guarantee commitments, new direct loans, obligation limitations, and outlays for direct spending programs described in subparagraph (C). Provided, That for the purposes of sequestration of new budget authority for the Department of Defense-Military the procedure shall be as follows:

(1) The aggregate reduction in outlays for all controllable expenditures of the Department of Defense-Military, calculated in ac-

cordance with this paragraph, shall be computed.

(II) The identical amount of outlay reductions so computed shall be distributed across the affected budget accounts of the Department of Defense-Military in the proportion that total outlays for each budget account bears to total outlays for the Department of Defense-Military.

(III) Such amounts of new budget authority from each affected program, project, and activity, or budget account, of the Department of Defense-Military shall be sequestered as shall be necessary to reduce outlays for that budget account with proportional reductions in programs, projects, and activities by the amount determined under subdivision (II).

The order must embody and follow the determinations, percentages, and other specifications set forth in the report submitted under section 251(a), and must be consistent with such report.

(2) At the time the actions described in paragraph (1) with respect to any fiscal year are taken, the President shall transmit to both Houses of the Congress a message identifying—

(A) the total amount and the percentage by which each automatic spending increase program as defined in section 255(1) is to be reduced for that fiscal year pursuant to paragraph (1)(A);

(B) the total amount and the percentage by which the foster care, adoption assistance, and guaranteed student loan programs are to be reduced pursuant to the provisions of subsections (g) and (j) of section 254;

(C) the base from which the reduction is taken, the amount of the outlays for direct spending programs, new budget authority, new loan guarantee commitments, new direct loan obligations, and obligation limitations as appropriate which are to be sequestered for that fiscal year from each program, project, and activity or budget accounts for which funds are provided in annual appropriations Acts, or otherwise from each budget account activity as identified in the program and financing schedules contained in the Appendix to the Budget of the United States Government pursuant to paragraph (1)(C); and

(D) such other supporting details as the President may determine to be appropriate.

Upon receipt in the Senate and the House of Representatives, the message (and any accompanying proposals made under subsection (c)) shall be referred to all committees with jurisdiction over programs, projects, and activities affected by it.

(3) The order issued by the President under paragraph (1) shall be effective as of October 1 of the fiscal year involved (or as of the 30th day after the date of the issuance of such order in the case of the fiscal year 1986), and the President shall withhold from obligation (pending the issuance of his final order under subsection (b)) any amounts that are to be sequestered under such order; except that for the month of October (or for the first full calendar month after the issuance of the order in the case of the fiscal year 1986) the President shall not withhold (and shall not recoup) any portion of any such amount which represents an automatic spending increase becoming effective on October 1 (or on the first day of such first full calendar month) and with respect to which the adjustments required by the order cannot be accomplished prior to the end of that month. Reductions pursuant to the



order shall be made with respect to automatic spending increase programs within 15 days, but in no case shall recoupment occur if reduction does not begin within this period.

(b) **ISSUANCE OF FINAL ORDER.**—(1) On October 10 of the fiscal year (or on December 20 in the case of the fiscal year 1986), after the receipt of the revised report submitted by the Director under section 251(c), the President shall issue a final order under this section to eliminate the full amount of the deficit excess as identified by the Director in the revised report submitted under section 251(c) but only to the extent and in the manner provided in such report. The order issued under this subsection shall include the same reductions as the initial order issued under subsection (a), adjusted to the extent necessary to take account of the percentage reductions determined by the Director in the revised report submitted under section 251(c), and shall be made in accordance with the same criteria and guidelines as those which were used in the issuance of such initial order under subsection (a).

(2) Subject to paragraph (3), the final order issued by the President under paragraph (1) shall become effective, to the extent that it modifies the initial order issued under subsection (a), on October 15 of the fiscal year to which it applies (or on the 30th day after the date of the report submitted under section 251(c) in the case of the fiscal year 1986, with the reductions required by such order being prorated on the basis of the number of remaining full months in such fiscal year). Any modification or suspension by such order of the operation of a provision of law that would (but for such order) require an automatic spending increase to take effect during the fiscal year shall apply for the one-year period beginning with the date on which such automatic increase would have taken effect during such fiscal year (but for such order).

(3) If the revised report submitted by the Director under section 251(c) (on which the President's final order under this subsection is based) indicates that legislative actions have reduced the excess deficit identified in the initial report of the Director submitted under section 251(a) to \$10,000,000,000 or less (\$0 in the case of the fiscal year 1986), the order issued under this subsection shall so state and no reductions or sequestrations shall become effective (as a result of the order) for the fiscal year involved; and any amounts withheld pursuant to the initial order shall be restored.

(4) For purposes of applying this section and section 251 with respect to the fiscal year 1986, the Committees on Appropriations of the House of Representatives and the Senate may define the term "program, project, and activity", with respect to matters within their jurisdiction, for purposes of implementing the provisions of this section with respect to the fiscal year 1986. The order issued by the President shall sequester funds in accordance with such definitions.

(c) **PROPOSAL OF ALTERNATIVES.**—A message transmitted pursuant to subsection (a)(2) with respect to a fiscal year may be accompanied by a proposal setting forth in full detail alternative ways to reduce the deficit for such fiscal year to an amount not greater than the maximum deficit amount for such fiscal year.

(d) **REQUIREMENT THAT REDUCTIONS BE UNIFORM AND PROPORTIONAL.**—Any order issued by the President under this section shall be invalid unless it reduces all programs, projects, and activities covered by subsec-

tion (a)(1)(c), by a uniform percentage except that programs, projects, and activities of the Department of Defense shall be reduced according to the provisions of subsection (a)(1); and such order shall have no effect upon any program, project, or activity unless it reduces all programs, projects, and activities proportionately.

#### SEC. 253. EXEMPT PROGRAMS AND ACTIVITIES.

(a) **SOCIAL SECURITY BENEFITS AND TIER 1 RAILROAD RETIREMENT BENEFITS.**—Increases in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, or in benefits payable under section 3(a), 3(f)(3), 4(a), or 4(f) of the Railroad Retirement Act of 1974, shall not be considered "automatic spending increases" for purposes of this title; and no reduction in outlays for any such increase, or for any of the benefits involved, shall be made under any order issued under this part.

(b) **NET INTEREST.**—Outlays for net interest shall not be considered controllable expenditures for purposes of this title, and no reduction in outlays for payment of such interest shall be made under any order issued under this part.

(c) **EARNED INCOME TAX CREDIT.**—Payments to individuals made pursuant to section 32 of the Internal Revenue Code of 1954 shall be exempt from reduction under any order issued under this part.

(d) **OTHER PROGRAMS AND ACTIVITIES.**—The following budget accounts and activities shall be exempt from reduction under any order issued under this part:

(1) Claims and judgments against the Government, including—  
Claims, defense (97-0102-0-1-051);  
Claims, judgments and other relief acts (20-1895-0-1806);

Eastern Indian Land Claims Settlement Fund (14-2202-0-1-806);  
Soldiers and Airmen's Home, payment of claims (84-8930-0-7-705);

Payment of Vietnam and USS Pueblo prisoner-of-war claims (15-0104-0-1-153);

(2) Salaries of judges (10-0200-0-1-752) (not including any portion of compensation which would result from increases in compensation above the levels in effect immediately prior to the effective date of this section);

(3) Compensation of the President (11-0001-0-1-802);

(4) Federal credit guarantee and insurance program (including outlays resulting from commitments in effect prior to the effective date of any order issued pursuant to section 252);

Veterans' Administration loan guaranty revolving fund (36-4025-0-3-704);

Agriculture Credit Insurance Fund (12-4140-0-3-351);

AID, housing and other guarantee programs (72-4340-0-3-151);

Overseas Private Investment Corporation (71-4030-0-3-151);

Rural Development Insurance Fund (12-4155-0-3-452);

International Trade Administration operations and administration (13-1250-0-1-376);

Economic Development Revolving Fund (13-4406-0-3-452);

Government National Mortgage Association, guarantees of mortgage-backed securities (86-4238-0-3-371);

Federal Housing Administration Fund (86-4070-0-3-371);

Credit Union share insurance fund (25-4468-0-3-371);

Federal Savings and Loan Insurance Corporation fund (82-4037-0-3-371);

Credit union share insurance fund (25-4468-0-3-371);

Pension Benefit Guaranty Corporation fund (16-4204-0-3-601);

Federal Crop Insurance Corporation fund (12-4085-0-3-351);

Federal Aviation Administration, Aviation Insurance Revolving Fund (69-4120-0-3-402);

Maritime Administration:

War-risk insurance revolving fund (69-4302-0-3-403);

Small Business Administration:

Lease guarantees revolving fund (73-4157-0-3-376);

Surety bond guarantees revolving fund (73-4156-0-3-376);

Export-Import Bank of the United States, limitation of program activity (83-4027-0-3-155);

Federal Emergency Management Agency:

National insurance development fund (58-4235-0-3-451);

National flood insurance fund (58-4236-0-3-453);

Nuclear Regulatory Commission, salaries and expenses (31-0200-0-1-276);

Check Forgery Insurance Fund (20-4109-0-3-803);

Rural electric and telephone revolving fund (12-4230-2-2-271);

Community Development Grant loan guarantees (86-0162-0-1-451);

Railroad rehabilitation and improvement financing fund (69-4411-0-3-401);

Synthetic Fuels Corporation (20-0112-0-1-271);

Small Business Administration—business loan insurance fund (73-4154-0-3-376);

Small Business Administration—pollution control equipment contract guarantee revolving fund (73-4147-0-3-376);

Low-rent public housing—loans and other expenses (86-4098-0-3-604);

Federal Ship Financing Fund (69-4301-0-3-403);

Geothermal Resources Development Fund (89-0206-0-1-271);

Federal Ship Financing—fishing vessels (13-4417-0-3-376);

Rural housing insurance fund (12-4141-0-3-371);

Indian Loan Guarantee and Insurance Fund (14-4410-0-3-452);

Rail service assistance (69-0122-0-1-401);

Tennessee Valley Authority—Seven States Energy Corporation;

Export-Import Bank (83-4027-0-3-155);

Federal insurance programs:

Veterans' Administration:

Servicemen's Group Life Insurance Fund (36-4009-0-3-701);

United States Government life insurance fund (36-8150-0-7-701);

National service life insurance fund (36-8132-0-7-701);

Service-disabled veterans life insurance fund (36-4012-0-3-701);

Veterans' special life insurance fund (36-8455-0-8-701);

Veterans' reopened insurance fund (36-4010-0-3-701);

Employees life insurance fund;

Federal Deposit Insurance Corporation (51-8419-0-8-371);

(5) Payments to trust funds, including—

Payments to the Foreign Service Retirement and Disability Fund (11-1036-0-1-153 and 19-0540-0-1-153);

Payments to health care trust funds (75-0580-0-1-572);

Federal payment to the railroad retirement account (60-0113-0-1-601);

Payments to social security trust funds (75-0404-0-1-571);

Payments to the Civil Service Retirement and Disability Fund (24-0200-0-1-805);

Payments to military retirement fund (97-0040-0-1-054);

Payment to State and Local Government Fiscal Assistance Trust Fund (20-2111-0-1-851);

Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds;

(6) Funds held for other governments and entities, including—

Foreign military sales trust fund (11-8242-0-7-155);

Bureau of Indian Affairs miscellaneous trust funds, tribal funds (14-9973-0-7-999);

District of Columbia appropriations to the extent they are appropriations of locally raised funds;

(7) Federal financing operations—  
Exchange stabilization fund (20-4444-0-3-155);

Coinage profit fund (20-5811-0-2-803);

(8) Other—

Offsetting receipts and collections;

Payment to copyright owners (03-5175-0-2-376);

Health Education Loans (75-4307-0-3-553);

Health Professions Graduate Student Loan Insurance Fund (75-4305-0-3-553);

Postal Service Fund (18-4020-8-3-372);

Tennessee Valley Authority power program borrowing authority (64-4110-0-3-999);

(9) Outlays resulting from private donations, bequests, or voluntary contributions to the Government;

(10) Intragovernmental funds, including those from which the outlays are derived primarily from resources paid in from other government accounts, except to the extent such funds are covered by direct appropriations for the fiscal year during which an order is in effect.

(e) **LOW-INCOME PROGRAMS.**—The following programs shall be exempt from reduction under any order issued under this part:

Food stamp program (12-3505-0-1-605);

Supplemental Security Income Program (75-0406-0-1-609);

Aid to families with dependent children (75-0412-0-1-609);

Child nutrition (12-3539-0-1-605);

Veterans' compensation (36-0153-0-1-701);

Veterans' pensions (36-0154-0-1-701);

Community health centers (75-0350-0-1-550);

Migrant health (75-0350-0-1-550);

Women, infants, and children programs (WIC and CSFP) (12-3510-0-1-605);

**SEC. 254. EXCEPTIONS, LIMITATIONS, AND SPECIAL RULES.**

(a) **ADDITIONAL SEQUESTRATION REQUIRED WHEN AUTOMATIC SPENDING INCREASES WOULD OTHERWISE BE REDUCED BELOW ZERO.**—If, in order to reduce by one-half the amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year, actions under section 252(a)(1)(A) would require the reduction of automatic spending increases below zero, then, in order not to require such reductions below zero, the remaining amount shall be achieved through reductions under section 252(a)(1)(B) and section 252(a)(1)(C).

(b) **EXISTING PROGRAMS, PROJECTS, AND ACTIVITIES NOT TO BE ELIMINATED.**—No action taken by the President under section 252(a) shall have the effect of eliminating any program, project, or activity of the Federal Government.

(c) **INCREASES IN PARTICIPATION RATES.**—Increases in Government expenditures due to changes in participation rates shall not be considered automatic spending increases for purposes of this title; and outlays required by increases in participation rates shall not be considered "controllable expenditures" or be subject to reduction under section 252(a).

(d) **RELATIVE BUDGET PRIORITIES NOT TO BE ALTERED.**—Nothing in subparagraph (A) or (B) of section 252(a)(1) shall be construed to give the President new authority to alter the relative priorities in the Federal budget that are established by law, and no person who is or becomes eligible for benefits under any provision of law shall be denied eligibility by reason of any order issued under this part.

(e) **EFFECT OF REDUCTIONS AND SEQUESTRATIONS.**—

(1) **REDUCTIONS OF AUTOMATIC SPENDING INCREASES.**—(A) If an automatic spending increase otherwise taking effect under any program during a fiscal year is reduced as described in section 252(a)(1)(A) through the suspension or modification (by an order issued under section 252) of the law requiring it, the full amount of such increase shall nevertheless be deemed to have taken effect in accordance with such law for purposes of determining the amount of the benefits involved under such program during the succeeding fiscal year.

(B) If an order is issued under section 252 for the fiscal year immediately succeeding a fiscal year described in subparagraph (A) and the automatic spending increase taking effect under the program involved during such succeeding fiscal year is to be reduced as described in section 252(a)(1)(A), such increase, as determined after the application of subparagraph (A), may be reduced under the order (in accordance with the requirements of sections 251 and 252) by any amount not exceeding the sum of (i) the amount of the reduction in the automatic spending increase which was made for the year described in subparagraph (A), and (ii) the full amount of the automatic spending increase which would otherwise take effect during such succeeding fiscal year.

(C) No automatic spending increase which becomes effective in accordance with the law requiring it (except an increase allowed pursuant to section 252(a)(3)), and no part of such an automatic spending increase which (notwithstanding the issuance of an order under section 252 for the fiscal year involved) becomes effective in accordance with such law, shall be subject to any reduction or further reduction under an order subsequently issued pursuant to section 252 except as provided in subparagraph (B).

(2) **SEQUESTRATIONS.**—Any amount of outlays for direct spending programs, new budget authority, new loan guarantee commitments, new direct loan obligations, and obligation limitations which is sequestered as described in section 252(a)(1)(B) or (C) pursuant to an order issued under section 252 is permanently cancelled, with the exception of amounts sequestered in trust funds, which shall remain in the trust funds and become available in accordance with applicable law at the expiration of the sequestration period.

(f) **PRIOR-YEAR OBLIGATIONS.**—Outlays for prior-year obligations shall not be considered "controllable expenditures" or be subject to reduction under this part.

(g) **EFFECT OF ORDERS ON THE GUARANTEED STUDENT LOAN PROGRAM.**—(1) Any reductions in new outlays which are required to be obtained from the student loan programs oper-

ated pursuant to part B of title IV of the Higher Education Act of 1965, as a consequence of an order issued pursuant to section 252, shall be obtained equally from the application of the measures described in paragraphs (2) and (3).

(2) For any loan made during the period beginning on the date that an order issued under section 252 takes effect with respect to a fiscal year and ending at the end of such fiscal year, the rate used in computing the special allowance payment pursuant to section 438(b)(2)(A)(iii) of such Act for each of the first four special allowance payments for such loan shall be reduced by not more than the lesser of—

(A) 0.40 percent, or  
(B) the percentage by which such rate exceeds 3 percent,

with the resulting figure then being multiplied by the reduction percentage applicable to automatic spending increases under section 252(a)(1)(A).

(3) For any loan made during the period beginning on the date that an order issued under section 252 takes effect with respect to a fiscal year and ending at the end of such fiscal year, the origination fee which is authorized to be collected pursuant to section 438(c)(2) of such Act shall be increased by not more than 0.50 percent, with the resulting figure then being multiplied by the reduction percentage applicable to automatic spending increases under section 252(a)(1)(A).

(h) **SPECIAL RULES FOR MEDICARE PROGRAM.**—In applying section 252(a)(1) in the case of the health insurance programs under title XVIII of the Social Security Act—

(1) only paragraph (1)(A), and not paragraph (1)(B) or (1)(C), of such section shall apply; and

(2) in applying paragraph (1)(A) of such section, the only provisions of such title which are considered to require an automatic spending increase are the following:

(A) The provisions of section 1886(b)(3)(B), 1886(d)(3)(A), and 1886(e)(4) of such title (relating to increases in payment amounts for inpatient hospital services), to the extent that regulations issued pursuant to those provisions permit any percentage increase.

(B) The provisions of section 1842(b) of such title relating to payment for physicians' services, to the extent they permit an annual increase in the medical economic index (referred to in the fourth sentence of such section).

(i) **TREATMENT OF CHILD SUPPORT ENFORCEMENT PROGRAM.**—Any order issued by the President under section 252 shall accomplish the full amount of any required reduction in expenditures under the child support enforcement program (established by part D of title IV of the Social Security Act) by reducing the Federal matching rate for State administrative costs under such program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary (as provided in the report submitted under section 251 of this Act) to reduce such expenditures by that amount.

(j) **TREATMENT OF FOSTER CARE AND ADOPTION ASSISTANCE PROGRAMS.**—Any order issued by the President under section 252 shall make the reduction which is otherwise required in expenditures under the foster care and adoption assistance programs (established by part E of title IV of the Social Security Act) only with respect to payments and expenditures made by States in which increases in foster care maintenance pay-



ment rates or adoption assistance payment rates (or both) are to take effect during the fiscal year involved, and only to the extent that the required reduction can be accomplished by applying a uniform percentage reduction in the Federal matching payments that each such State would otherwise receive under section 474 of that Act (for such fiscal year) for that portion of the State's payments which is attributable to the increases taking effect during that year.

(k) **FEDERAL PAY.**—For purposes of any order issued under section 252, Federal pay under a statutory pay system (within the meaning of section 5301(c) of title 5, United States Code) shall be treated as constituting a controllable expenditure and shall be subject to reduction under the order in the same manner as other administrative expense components of the Federal budget; except that no such order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any such statutory pay system. Program managers should implement methods of realizing the savings required under a sequestration order other than furloughing personnel, which should only be implemented if the other methods are insufficient.

(l) **TREATMENT OF PAYMENTS AND ADVANCES MADE WITH RESPECT TO UNEMPLOYMENT COMPENSATION PROGRAMS.**—For purposes of section 252(a)(1)(C)—

(1) any amount paid to a State from its account in the Unemployment Trust Fund established by section 904 of the Social Security Act and any advance made to a State from the Federal unemployment account in such Fund under title XII of such Act, and any advance made to the Federal unemployment account from the general fund of the Treasury, shall not be subject to sequestration, and

(2) any amount—

(A) paid to a State for benefits under section 204 of the Federal-State Extended Unemployment Compensation Act of 1970, or

(B) made available for administrative expenditures in accordance with section 901(c) of the Social Security Act, shall be subject to sequestration.

(m) **TREATMENT OF MINE WORKER DISABILITY COMPENSATION INCREASES AS AUTOMATIC SPENDING INCREASES.**—An order issued by the President under section 252 may not result in eliminating or reducing an increase in disability benefits under the Federal Mine Safety and Health Act except in the manner provided for automatic spending increases under section 252(a)(1)(A), and no such increase may, pursuant to such section, be reduced below zero.

(n) **COMMODITY CREDIT CORPORATION LOANS AND GUARANTEED STUDENT LOANS.**—This title shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created. Payments and loan eligibility under any contract entered into with a producer by the Commodity Credit Corporation and any guaranteed student loan approved prior to the time a sequestration order has been issued shall not be reduced by a sequestration order subsequently issued, but any contract entered into after a sequestration order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and entities providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to

any person, lender, or guarantee entity, shall be deemed to be controllable expenditures and shall be subject to reduction under the Presidential order: Provided, That the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for those programs in the order.

(o) **SPECIAL RULES FOR MEDICAID PROGRAM.**—In applying section 252(a)(1) in the case of the program of grants to States for medical assistance under title XIX of the Social Security Act—

(1) only paragraph (1)(A), and not paragraph (1)(B) or (1)(C), of such section shall apply; and

(2) in applying paragraph (1)(A) of such section, the only provisions of such title which are considered to require an automatic spending increase are the provisions of sections 1902(a)(13)(A) and 1903(a)(1) of such title, and only to the extent that an increase in Federal payments to a State would otherwise occur under section 1903(a)(1) of such title as a result of an increase in payment rates established by a State with respect to the rate established for the previous fiscal year for inpatient hospital services or as a result of an increase in an index used by the State which applies to the rate of increase in payment for physicians' services over the previous fiscal year.

#### SEC. 255. DEFINITIONS.

For purposes of this title:

(1) The term "automatic spending increase" (except as otherwise provided in sections 253 and 254) means spending increases, indexed directly, either appropriated or contained in current law, under the following Federal programs:

Military Retirement  
Railroad Retirement Tier II  
Civil Service Retirement  
Veterans' Compensation  
Federal Employees' Compensation Act  
Foreign Service Retirement  
Public Health Service Retirement  
Coast Guard Retirement  
Black Lung Benefits  
Special Benefits for Coal Miners  
National Wool Act  
Judiciary Survivors  
Presidents' Pension  
CIA Retirement  
Federal Reserve Board Retirement  
Comptrollers General  
TVA Retirement  
Special Milk  
Longshoremen's and Harbor Workers' Compensation Benefits  
Vocational Rehabilitation  
Medicare

(2) The term "budget outlays" has the meaning given to such term in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974.

(3) The term "concurrent resolution on the budget" has the meaning given to such term in section 3(4) of the Congressional Budget and Impoundment Control Act of 1974.

(4) The term "deficit" has the meaning given to such term in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974.

(5) The term "maximum deficit amount" has the meaning given to such term in section 3(7) or 3(8) of the Congressional Budget and Impoundment Control Act of 1974.

(6) The term "real economic growth" means, with respect to a fiscal year, the nominal growth in the production of goods and services during such fiscal year, adjusted for inflation.

(7) The term "controllable expenditures" (except as otherwise provided in sections 253 and 254) means the outlays that result in the fiscal year involved (1) from new budget authority for such fiscal year, (2) from new direct loan obligations, (3) from new obligations from trust or revolving funds, (4) from outlays in the case of direct spending programs, and (5) from new loan guarantee commitments (excluding outlays to cover defaults).

(8) The terms "sequester" and "sequestration" mean the permanent cancellation of budget authority, obligation limitations, or loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage.

#### PART D—BUDGETARY TREATMENT OF SOCIAL SECURITY TRUST FUNDS

##### SEC. 261. TREATMENT OF TRUST FUNDS.

(a) **FISCAL YEARS 1986 THROUGH 1992.**—

(1) **IN GENERAL.**—Section 710 of the Social Security Act (as added by paragraph (1) of subsection (a) of section 346 of the Social Security Amendments of 1983) is amended—

(A) by striking out all beginning with "the" the first place it appears down through "Disability Insurance Trust Fund, the" and inserting in lieu thereof "the";

(B) by striking out the comma after "Hospital Insurance Trust Fund";

(C) by striking out "sections 1401, 3101, and 3111" and inserting in lieu thereof "1401(b), 3101(b), and 3111(b)";

(D) by redesignating all after the section designation as subsection (b);

(E) by inserting after the section designation the following:

"(a) The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, and the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government."; and

(F) by adding at the end thereof the following new subsection:

"(c) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, or for payments from either such Trust Fund to the general fund of the Treasury."

(2) **APPLICATION.**—The amendments made by paragraph (1) shall apply with respect to fiscal years beginning after September 30, 1985, and ending before October 1, 1992.

(b) **FISCAL YEAR 1993 AND THEREAFTER.**—Section 710(a) of the Social Security Act (42 U.S.C. 911 note), as amended by section 346(b) of the Social Security Amendments of 1983 (to be effective with respect to fiscal years beginning after September 30, 1992) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to any Trust Fund specified in paragraph (1) or for payments from any such Trust Fund to the general fund of the Treasury."

#### PART E—MISCELLANEOUS AND RELATED PROVISIONS

##### SEC. 271. WAIVERS AND SUSPENSIONS; RULEMAKING POWERS.

(a) **BUDGET ACT WAIVERS IN THE SENATE.**—Section 904 of the Congressional Budget Act of 1974 is amended by redesignating subsection (c) as subsection (d), and inserting after subsection (b) the following new subsection:

"(c) The provisions of section 305(b)(2) and section 306 of this Act may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members of the Senate duly chosen and sworn."

(b) **OTHER WAIVERS AND SUSPENSIONS IN THE SENATE.**—The provisions of this title may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members of the Senate duly chosen and sworn.

(c) **RULEMAKING POWERS.**—The provisions of this title, other than those relating to the activities of the executive branch, are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

##### SEC. 272. RECESSIONS.

(a) **EFFECT OF CERTAIN RECESSIONS.**—(1) If the average rate of civilian unemployment in the United States for any 2 consecutive calendar months in a fiscal year (as determined by the Director on the basis of the most recent figures available from the Bureau of Labor Statistics) is 1 percent above the average rate of civilian unemployment for the same two months, one year earlier, as determined by the Director, all points of order in the House of Representatives or the Senate which would otherwise lie during such fiscal year against the consideration of legislation (including any concurrent resolution of the budget), or against the consideration of any amendment thereto or conference report thereon, because such legislation or such amendment or conference report would cause the level of deficit set forth in the most recently agreed to concurrent resolution on the budget to be exceeded or would result in a deficit exceeding the maximum deficit amount in effect for such fiscal year under section 3(7) or 3(8) of the Congressional Budget and Impoundment Control Act of 1974, shall cease to have any effect (from and after the date of the Director's certification under paragraph (2)) for the remainder of such fiscal year.

(2) Whenever the Director so determines that the average rate of civilian unemploy-

ment in the United States for 2 consecutive calendar months in a fiscal year is 1 percent or more above the average rate of civilian unemployment for the same two months, one year earlier, the Director shall certify that fact to the President and (on the same day) to each House of Congress.

##### (b) SPECIAL PROCEDURES IN THE EVENT OF RECESSION.—If—

(1) the estimate of real economic growth set forth in a report transmitted by the Director of the Congressional Budget Office under section 251(a) for a fiscal year is less than zero with respect to such fiscal year or with respect to each of any two consecutive quarters of such fiscal year; or

(2) the Department of Commerce preliminary reports of actual real economic growth (or any subsequent revision thereof) for each of any two consecutive quarters of such fiscal year or of the immediately preceding fiscal year indicate that the rate of real economic growth for such quarters is less than zero,

the Committees on the Budget of the House of Representatives and the Senate may report to their respective Houses a joint resolution which declares that the economy is in a recession and suspends or revises (in whole or in part) the provisions of this Act or of the amendments made by this Act.

##### SEC. 273. RESTORATION OF TRUST FUND INVESTMENTS.

(a) **REISSUANCE OF OBLIGATIONS.**—The Secretary of the Treasury shall immediately reissue to the Social Security Trust Funds and other retirement funds (as defined in subsection (c)) obligations under chapter 31 of title 31, United States Code, identical in all terms to public debt obligations redeemed on or after September 1, 1985, and on or before the date of the enactment of this joint resolution that, as determined by the Secretary on the basis of standard investment procedures for such funds in effect on September 1, 1985, would not have been redeemed if H.J. Res. 372 (99th Congress, 1st Session), as deemed passed by the House of Representatives on August 1, 1985, had been enacted into law on August 1, 1985. The uninvested balances of such funds shall be debited for the principal amount of such reissued obligations.

(b) **APPROPRIATION TO TRUST FUNDS OF LOST INTEREST.**—The Secretary of the Treasury shall immediately pay to the Social Security Trust Funds and other retirement funds (as defined in subsection (c)), from amounts in the general fund of the Treasury not otherwise appropriated, amounts determined by the Secretary to be equal to the net amount of interest that would have accrued to each such fund but for noninvestments, redemptions, and disinvestments of such funds on or after September 1, 1985, and on or before the date of the enactment of this joint resolution that would not have occurred if H.J. Res. 372 (99th Congress, 1st Session), as deemed passed by the House of Representatives on August 1, 1985, had been enacted into law on August 1, 1985.

(c) **DEFINITION.**—For purposes of subsections (a) and (b), the term "Social Security Trust Funds and other retirement funds" means the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, the Federal Supplementary Medical Insurance Trust Fund, the Railroad Retirement Account, the Civil Service Retirement and Disability Fund, and the Department of Defense Military Retirement Fund.

##### SEC. 274. REVENUE ESTIMATES.

Notwithstanding any other provision of this Act, all revenue estimates necessary to carry out the purposes of this Act after the present law base estimates made by the Congressional Budget Office at the beginning of each legislative session shall be made by the Joint Committee on Taxation and transmitted to the Congressional Budget Office for their use in carrying out the requirements of this Act and the Congressional Budget Act of 1974. All estimates of revenue effects of legislation enacted each legislative session shall be made by the Joint Committee on Taxation and shall be used exclusively by the CBO for all purposes related to this Act. The CBO shall consult with the Joint Committee on Taxation as to the use of these revenue estimates in carrying out this Act, and shall further, upon revision by CBO of economic assumptions upon which CBO estimates are based under this and any other Act, convey those revised assumptions to the Joint Committee on Taxation, for the use of the Joint Committee on Taxation in re-estimating revenue effects of enacted and considered legislation which shall be provided to the CBO to be used as the revenue estimates necessary for carrying out the purposes of this Act and the Congressional Budget Act of 1974.

##### SEC. 275. NONSEVERABILITY.

(a) If, after all appellate review is exhausted, a court of competent jurisdiction finds that any provision of this Act violates the Constitution or is otherwise invalid, then the provisions of this title shall immediately expire. No report required by that subsection shall be prepared or forwarded to the President and the President shall not exercise any power, authority, duty, or responsibility conferred upon or assigned to him by that part.

(b) If, after all appellate review is exhausted, a court of competent jurisdiction finds that any provision of this Act violates the Constitution or is otherwise invalid, then any provision of law which has been modified or suspended, and any budget authority which has been sequestered, shall immediately exist and operate as though the powers, authorities, duties, and responsibilities under part C of this title had never been exercised.

(c) The provisions of this section shall operate notwithstanding any other provision of this title.

##### SEC. 276. JUDICIAL REVIEW.

(a) **CIVIL ACTION TO CHALLENGE CONSTITUTIONALITY.**—(1)(A) At any time within 60 days after this title takes effect, any Member of Congress may commence a civil action against the United States in the United States District Court for the District of Columbia for declaratory and injunctive relief on the ground that section 251 violates the Constitution.

(B) If the President issues an order under section 252, any Member of Congress or any other person adversely affected by such order may commence a civil action in the United States District Court for the District of Columbia for declaratory and injunctive relief against the United States on the ground that such order violates the Constitution. Such court may, where appropriate, issue a preliminary or permanent injunction suspending the effect of the Presidential order.

(C) If the President issues an order under section 252, any Member of Congress may commence a civil action in the United States District Court for the District of Co-



lumbia against the President for declaratory and injunctive relief on the ground that the terms of the order do not comply with the requirements of this title.

(2) A copy of any complaint under paragraph (1) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House shall have the right to intervene in such action within 30 days after receipt of the complaint.

(3) Any action under paragraph (1) shall be heard and determined by a three-judge court on an expedited basis.

(4) Any appeal from an order in any action brought under paragraph (1) shall be taken to the Supreme Court of the United States by a notice of appeal filed within 10 days of the order. The jurisdictional statement shall be filed within 30 days of such order. No stay of an order issued under paragraph (1)(B) shall be issued by a single Justice of the Supreme Court.

(5) In an action under this paragraph, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees at a rate not to exceed \$75 per hour.

(b) **PRESERVATION OF OTHER RIGHTS.**—The rights created by this section are in addition to the rights of any person under any other law.

#### SEC. 277. EFFECTIVE DATES.

(a) **IN GENERAL.**—Except as provided in subsections (b) and (c), this title and the amendments made by this title shall become effective on the date of the enactment of this title and shall apply with respect to fiscal years beginning after September 30, 1985.

(b) **EXPIRATION.**—This title and the amendments made by this title, except the amendments made by part A, shall expire September 30, 1991.

(c) **OASDI TRUST FUNDS.**—The amendments made by part D shall apply as provided in such part.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. For what purpose does the gentleman from Wisconsin [Mr. OBEY] rise?

Mr. OBEY. Mr. Speaker, I request a division of the motion.

The SPEAKER. The question will be divided.

The question before the House will be on receding. There is 1 hour of debate on that.

Mr. ROSTENKOWSKI. Mr. Speaker, is it proper at this point in time that I move to recede? That is the motion pending.

The SPEAKER. If there is no debate on receding, the Chair will put the question.

If the gentleman is desirous of an hour's time, the gentleman is entitled to 1 hour, and then he may divide the time.

Mr. FOLEY. Mr. Speaker, has the gentleman put the question on receding?

The SPEAKER. Does the gentleman want time? If the gentleman does not

want time, then the House can go to the vote.

Mr. ROSTENKOWSKI. Mr. Speaker, I have not requested any time.

The SPEAKER. The question is, Will the House recede from its disagreement to Senate amendment No. 2?

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. FOLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 288, nays 134, not voting 12, as follows:

[Roll No. 385]

#### YEAS—288

Akaka  
Andrews  
Anthony  
Archer  
Armey  
AuCoin  
Barnard  
Bartlett  
Barton  
Bateman  
Bates  
Bentley  
Bevill  
Bilirakis  
Billie  
Boehlert  
Boner (TN)  
Bonker  
Bosco  
Boucher  
Boulter  
Breau  
Broomfield  
Brown (CO)  
Broyhill  
Bruce  
Bryant  
Burton (IN)  
Byron  
Callahan  
Campbell  
Carney  
Carper  
Chandler  
Chapman  
Chappell  
Chapple  
Cheney  
Clinger  
Coats  
Cobey  
Coble  
Coelho  
Coleman (MO)  
Coleman (TX)  
Combest  
Coughlin  
Courter  
Craig  
Crane  
Daniel  
Dannemeyer  
Darden  
Daschle  
Daub  
Davis  
de la Garza  
DeLay  
Derrick  
DeWine  
Dickinson  
DioGuardi  
Dorgan (ND)  
Dornan (CA)

Dowdy  
Dreier  
Duncan  
Durbin  
Dyson  
Eckart (OH)  
Eckert (NY)  
Edwards (OK)  
Emerson  
English  
Erdreich  
Fascell  
Fawell  
Feighan  
Fiedler  
Fields  
Fish  
Flippo  
Fowler  
Franklin  
Frenzel  
Frost  
Fuqua  
Gallo  
Gekas  
Gephardt  
Gibbons  
Gilman  
Gingrich  
Glickman  
Goodling  
Gradison  
Gray (IL)  
Green  
Gregg  
Grotberg  
Gunderson  
Hall (OH)  
Hall, Ralph  
Hamilton  
Hammerschmidt  
Hartnett  
Hatcher  
Hefner  
Heftel  
Hendon  
Henry  
Hiller  
Hillis  
Hopkins  
Horton  
Hubbard  
Huckaby  
Hunter  
Hutto  
Hyde  
Ireland  
Jenkins  
Johnson  
Jones (NC)  
Jones (OK)  
Jones (TN)  
Kaptur  
Kasich

Kemp  
Kindness  
Klecza  
Kolbe  
Kotler  
Kostmayer  
Kramer  
Lagomarsino  
Lantos  
Latta  
Leach (IA)  
Leath (TX)  
Lent  
Lewis (CA)  
Lewis (FL)  
Lightfoot  
Lipinski  
Livingston  
Lloyd  
Loeffler  
Lott  
Lowery (CA)  
Lujan  
Lukens  
Lundine  
Lungren  
Mack  
MacKay  
Madigan  
Manton  
Martin (IL)  
Martin (NY)  
Mazzoli  
McCain  
McCauley  
McCloskey  
McCollum  
McCurdy  
McDade  
McEwen  
McGrath  
McKernan  
McKinney  
McMillan  
Meyers  
Mica  
Michel  
Miller (OH)  
Miller (WA)  
Molinari  
Monson  
Montgomery  
Moore  
Moorhead  
Morrison (WA)  
Murphy  
Murtha  
Myers  
Natcher  
Nelson  
Nielson  
Obey  
Olin  
Oxley

Packard  
Panetta  
Parris  
Pashayan  
Pease  
Penny  
Petri  
Pickle  
Porter  
Price  
Pursell  
Quillen  
Ray  
Regula  
Reid  
Richardson  
Ridge  
Rinaldo  
Ritter  
Roberts  
Robinson  
Roemer  
Rogers  
Roth  
Roukema  
Rowland (CT)  
Rowland (GA)  
Rudd  
Russo  
Saxton  
Schaefer  
Schneider  
Schuette

Schulze  
Sensenbrenner  
Sharp  
Shaw  
Shelby  
Shumway  
Shuster  
Sikorski  
Siljander  
Sisisky  
Skeen  
Skeltton  
Slattery  
Slaughter  
Smith (FL)  
Smith (NE)  
Smith (NJ)  
Smith, Denny  
(OR)  
Smith, Robert  
(NH)  
Smith, Robert  
(OR)  
Snowe  
Snyder  
Solomon  
Spence  
Spratt  
Stallings  
Stenholm  
Strang  
Stratton  
Stump

Sundquist  
Sweeney  
Swindall  
Tauke  
Tausin  
Taylor  
Thomas (CA)  
Thomas (GA)  
Valentine  
Vander Jagt  
Visclosky  
Volkmer  
Vucanovich  
Walgren  
Walker  
Weber  
Whitehurst  
Whitley  
Whittaker  
Wilson  
Wirth  
Wise  
Wolf  
Wolpe  
Wortley  
Wyden  
Wylie  
Yatron  
Young (AK)  
Young (FL)  
Young (MO)  
Zschau

#### NAYS—134

Ackerman  
Alexander  
Anderson  
Annunzio  
Applegate  
Aspin  
Atkins  
Barnes  
Bedell  
Beilenson  
Bennett  
Berman  
Boggs  
Boland  
Bonior (MI)  
Borski  
Boxer  
Brooks  
Brown (CA)  
Burton (CA)  
Bustamante  
Carr  
Clay  
Collins  
Conte  
Conyers  
Cooper  
Coyne  
Crockett  
Dellums  
Dicks  
Dingell  
Dixon  
Donnelly  
Downey  
Dwyer  
Dymally  
Early  
Edgar  
Edwards (CA)  
Evans (IA)  
Evans (IL)  
Fazio  
Florio  
Foglietta

Foley  
Ford (MI)  
Ford (TN)  
Frank  
Garcla  
Gaydos  
Gedensson  
Gonzalez  
Gordon  
Gray (PA)  
Guarini  
Hawkins  
Hayes  
Hertel  
Howard  
Hoyer  
Hughes  
Jeffords  
Kanjorski  
Kastenmeier  
Kennelly  
Kildee  
LaFalce  
Lehman (CA)  
Lehman (FL)  
Leland  
Levin (MI)  
Levine (CA)  
Long  
Lowry (WA)  
Markey  
Martinez  
Matsui  
Mavroules  
McHugh  
Mikulski  
Miller (CA)  
Mineta  
Mitchell  
Moakley  
Mollohan  
Moody  
Morrison (CT)  
Mrázek  
Nowak

Oakar  
Oberstar  
Ortiz  
Owens  
Pepper  
Perkins  
Rahall  
Rangel  
Rodino  
Roe  
Rose  
Rostenkowski  
Roybal  
Sabo  
Savage  
Scheuer  
Schroeder  
Schumer  
Seiberling  
Smith (IA)  
Solarz  
St Germain  
Staggers  
Stark  
Stokes  
Studds  
Swift  
Synar  
Tallon  
Torres  
Torricelli  
Towns  
Traficant  
Traxler  
Udall  
Vento  
Watkins  
Waxman  
Weaver  
Weiss  
Wheat  
Williams  
Wright  
Yates

#### NOT VOTING—12

Addabbo  
Badham  
Bereuter  
Biaggi

Hansen  
Holt  
Jacobs  
Marlenee

Neal  
Nichols  
O'Brien  
Stangeland

□ 1225

Mr. MAVROULES changed his vote from "yea" to "nay."

Mr. VISCLOSKEY changed his vote from "nay" to "yea."

So the House receded from its disagreement to Senate amendment No. 2.

The result of the vote was announced as above recorded.

#### PERSONAL EXPLANATION

Mr. BIAGGI. Mr. Speaker, I was not present for rollcall vote 385 on the motion to recede to Senate amendment No. 2. Had I been present, I would have voted "nay."

The SPEAKER pro tempore. The question now pending before the House is the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] to concur in Senate amendment No. 2 with an amendment.

On that motion, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes and the gentleman from Tennessee [Mr. DUNCAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, 3 weeks ago the Senate passed the so-called Gramm-Rudman amendment and attached it to the House-passed resolution increasing the permanent ceiling on the public debt. The Senate, in collusion with the President, decided to hold the entire Government hostage to a 55-page amendment that the Senate had not read and the President did not understand.

For the last 3 weeks, House conferees have attempted to dissect the resolution and assess its impact on our economy and the balance of institutional power. We managed to point out the gaps, the ambiguities, and the plain mistakes shot throughout the document. We made some headway in bringing minimal logic and fairness to the plan—all the while with our backs to the wall.

I come forward today with an amendment to Gramm-Rudman whose dictates the Senate and some of our House conferees rejected. In essence the amendment forces Congress to balance the budget—and to swallow the medicine now—rather than put off the political pain as would the Senate plan.

We wanted a fair deficit reduction proposal. The Senate wanted the Incumbent Protection Act of 1986.

While it is far from perfect, this amendment is a vast improvement over the Senate-passed measure.

This amendment would assure that the automatic deficit reduction effort begin this year—rather than wait until after the 1986 election.

This amendment allows for recession adjustments in the deficit targets. Gramm-Rudman makes no such allowance and would turn the mildest economic slowdown into a recession.

This amendment assures that the defense budget absorbs its fair share of cuts. The Senate and White House

disagree over how much defense would or should be cut under Gramm-Rudman. Under this amendment, there is no ambiguity. Defense will be cut without any Presidential discretion. If the President fails to recommend defense cuts, as Secretary Weinberger has suggested, none of the cuts would be effective.

This amendment provides that the Congressional Budget Office will determine if the cuts are triggered and how they should be implemented. Under Gramm-Rudman, the President could orchestrate the cuts through OMB.

This amendment spells out clearly what programs would be affected—and to what extent. Under Gramm-Rudman, the President could pick and choose among programs.

This amendment allows for cost-of-living adjustments to be restored after a sequestering order expires. Under Gramm-Rudman, COLA's are permanently lost.

Under this amendment, expedited judicial review of this process will be assured. If any part of it is found to be unconstitutional, the whole act will fall. Under Gramm-Rudman, CBO could be knocked out of the process allowing the President and OMB complete control.

Finally, this amendment attempts to protect the most critical low-income programs—by either exempting them entirely or by limiting the cuts. Gramm-Rudman allows no safety net.

Mr. Speaker, I understand feelings of my colleagues who believe that this amendment is as much a disaster as Gramm-Rudman. I am no happier than they are in bringing this legislative product to the floor. The fact is, however, some form of automatic spending reduction legislation is going to pass. We have worked in the conference to make this legislation more fair and more honest.

Many of my colleagues want to walk away from this whole debate. Believe me, I am tempted to do the same thing. I think we all know that we have fought the good fight. We did what we could under the circumstances. And I would caution the majority who consider the entire issue a sham that a no vote on this amendment is almost certain to lead to a full-blown Gramm-Rudman victory on the floor.

Under the House amendment, defense spending is classified as controllable. The amount of outlay cuts for defense and nondefense controllable programs is computed according to a single across-the-board formula. After subtracting the outlay reductions made in programs with cost-of-living adjustments—and a few other specified programs—the required remaining outlay reductions are allocated among other controllable programs—both de-

fense and nondefense—in proportion to outlays from new budget authority.

In order to avoid excessive reductions in spending for defense readiness accounts, however, the House amendment contains a special provision regarding the distribution of outlay cuts within the defense function of the budget. This provision does not increase or decrease the amount of outlay reductions made in national defense; it distributes those reductions among the major components of the defense budget according to their share of total outlays—both new and prior. The amendment guarantees that defense procurement, which represents about 30 percent of total defense outlays, will receive 30 percent of the outlay cuts. It also guarantees that military personnel, which accounts for about a quarter of defense spending, will receive no more than a quarter of the defense reductions.

A short summary of the amendment is as follows:

#### THE DEFICIT TARGETS

The House amendment starts deficit reduction now, while the economy is growing, instead of waiting a year as proposed in the Senate amendment. The deficit target for fiscal year 1986 is set at \$161 billion, instead of \$180 billion (or \$192.6 billion using the Senate "fudge factor") in the original Senate amendment.

The House amendment also cuts the deficit more quickly if the economy continues moderate economic growth. The amendment sets forth deficit targets which lead to a balanced budget in 1990, a year earlier than the Senate amendment, if the economy grows according to the CBO economic projections. The targets are: fiscal year 1987, \$110.2 billion; fiscal year 1988, \$57.2 billion; fiscal year 1989, \$4.2 billion; and fiscal year 1990, balanced or surplus budget.

#### RECESSION ADJUSTMENTS

The House amendment avoids turning economic slowdown into recession, or recession into depression, and allows for economic recovery. The proposal adjusts the deficit targets according to the Congressional Budget Office (CBO) forecast of economic growth and the prior year's deficit. Large deficit reduction is required when the economy is strong; and less or none is required when the economy is weak or entering recession.

The proposal also removes points of order which, under the original Senate amendment, would lie against consideration of legislation, including budget resolutions, which caused the deficit to exceed the deficit target if the unemployment rate is one percentage point or more higher than a year earlier. (This has been the case only in recessions.) If a recession were unanticipated, as is usually the case, Congress could respond. The original Senate amendment removes such points of order only in the case of an accurately forecast recession.

#### THE SEQUESTERATION PROCESS

The House amendment generally parallels the Senate amendment by providing for automatic deficit reduction if the deficit target is not met. CBO, in consultation with the Office of Management and Budget (OMB), will issue a report indicating whether anticipated spending and revenues will



result in a deficit above the established target for the coming fiscal year. This report will also specify the uniform percentage by which all items subject to reduction are to be reduced.

On September 1, the President would be required to issue a sequestration order making the reductions stipulated in the CBO report. On October 1, funds would be deferred in accordance with this sequestration order. By October 5, CBO is directed to revise the trigger reports to account for laws that have been enacted; if enacted legislation is sufficient to lower the deficit to the original trigger level, sequestration is cancelled. If sequestration is not cancelled, a new Presidential order is issued and takes effect on October 15.

For FY 1986, an accelerated sequestration process is established, beginning with a deficit report by CBO 14 days after enactment. The Presidential order is issued two weeks later. As with the basic sequestration schedule, the 1986 process allows for a revised trigger report and an adjustment in the sequestration order if appropriate. If the sequestration procedures were signed into law on November 5, this process would mean that the sequestration order would take effect on December 3.

#### THE ROLE OF CBO AND OMB

The Senate amendment required both OMB and CBO to determine the deficit and stipulated that, in the event the directors of these two agencies could not agree, their findings were to be averaged. The House amendment requires that CBO determine the deficit and issue the trigger report in consultation with OMB.

#### THE CONTENT OF THE PRESIDENTIAL ORDER

The amount by which the deficit exceeds the maximum deficit amount would be eliminated by the issuance of an order that would achieve 50 percent of the savings from COLA programs. To the extent savings cannot be achieved from these programs, the remainder is achieved through reduction in all other programs which are not exempt. Cuts would be made in proportion to total outlays in the case of direct spending programs and in proportion to new budget authority in discretionary programs. In issuing the sequestration order, the President would be required to follow the trigger report.

#### DETRIGGERING THE SEQUESTRATION PROCESS

The sequestration process could be cancelled under two circumstances. If the revised trigger report indicated that Congress had taken sufficient action to lower the deficit to the original trigger level, sequestration would not occur. Secondly, if, by August 15, Congress has passed a budget resolution, approved a reconciliation bill and passed all 13 appropriations bills, then CBO would determine, using updated economic assumptions, whether the target has been met. If so, neither the trigger report nor the sequestration order would be issued.

#### EXEMPT PROGRAMS

The House amendment specifies the programs which are exempt from sequestration. In addition to social security, interest on the national debt, the earned income tax credit (EITC) and other accounts specified by the Senate staff the following programs would be exempt: Food Stamps; Supplemental Security Income (SSI); Aid to Families with Dependent Children (AFDC); child nutrition; Veterans' pensions and compensation; community and migrant health centers; Women, Infants and Children (WIC),

and the Commodity Supplemental Food Program.

It should be noted that reductions in Medicare and Medicaid would be limited to the indexed portions of these programs; beneficiary eligibility would not be affected.

#### CLARIFICATIONS OF THE SENATE AMENDMENT

The House amendment also makes a number of clarifications in the language of the original Senate amendment. These clarifications define the baseline that is used for the sequestration process, stipulate the programs which are subject to reduction and the manner in which they shall be reduced, and describe the specific accounts which are to be exempt. They also minimize Presidential discretion.

#### REVISIONS IN THE BUDGET PROCESS

The House amendment revises and accelerates the normal budget process, providing for an annual budget resolution and reconciliation. Specifically:

Congressional action on the concurrent resolution on the budget would be completed by April 15.

House action on regular appropriations bills would be completed by June 30.

Reconciliation would be completed by June 15.

In the event that Congress does not complete action on the budget resolution by the date specified in law, floor consideration of appropriations bills would be allowed beginning on May 15.

Conference reports on a budget resolution would be required to be within the maximum deficit level for the fiscal year. This would be enforced through a point of order which could only be waived by a majority of the members voting, a quorum present.

A point of order would lie against the consideration of legislation until a committee has filed its 302(b) subdivision.

Amendments to reconciliation bills would be prohibited if they increase the deficit.

#### CONSTITUTIONALITY

The amendment authorizes expedited review of all constitutional issues, including whether the involvement of CBO in the sequestration trigger process violates the Constitution. If any provision of the legislation is found to violate the Constitution of the United States, then the provisions of this legislation would expire. Any Member of Congress would be authorized to bring court action within 60 days. The action would be heard on an expedited basis by a three-judge district court in the District of Columbia, with an immediate appeal to the U.S. Supreme Court.

The House amendment also provides for expedited judicial review of Presidential compliance with the provisions relating to the sequestration order.

#### GOVERNMENT OPERATIONS MATTERS

The House amendment eliminates the joint OMB, CBO and Treasury Department reports specified in the Senate amendment and clarifies that the sequestration process sunsets after fiscal year 1991.

#### RESTORATION OF TRUST FUND INVESTMENTS

The House amendment provides that, on enactment, the Secretary of Treasury shall reissue to several Federal trust funds all investments that would have otherwise remained in these trust funds had H.J. Res. 372, as passed by the House on August 1, 1985 been enacted into law on that date. The funds specifically protected are: the Old Age and Survivors, Disability, and Hospital Insurance (OASDHI) trust funds; the Supplementary Medical Insurance trust

fund; the Railroad Retirement account; the Civil Service Retirement and Disability Fund; and the Department of Defense Military Retirement Fund.

Attached is a table comparing the House amendment to the latest Senate position.

#### DISTRIBUTION OF SPENDING CUTS

	House amendments		Latest Senate substitute <sup>1</sup>	
	Amount	Percent	Amount	Percent
\$10,000,000,000 sequester:				
COLA programs	\$1.8	18	\$1.6	16
Other nondefense	3.5	35	4.6	46
Subtotal	5.2	52	6.2	62
Defense	4.8	48	3.8	38
Total	10.0	100	10.0	100
\$25,000,000,000 sequester:				
COLA programs	1.8	7	1.6	6
Other nondefense	9.8	39	12.9	52
Subtotal	11.6	46	14.5	58
Defense	13.4	54	10.5	42
Total	25.0	100	25.0	100

<sup>1</sup> As specified by House staff, the calculation assumes that \$25,000,000,000 in defense contracts would be sequestered under the Senate substitute. The Senate staff assumed that approximately \$75,000,000,000 in defense contracts were sequestered. Under that assumption, the \$25,000,000,000 sequester under the latest Senate substitute would break down as follows: COLA programs 6 percent; other nondefense 47 percent; and defense 47 percent.

Mr. Speaker, I reserve the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, our fellow citizens are watching, and they are watching very closely. They are watching what we do here today. And make no mistake about it, they know what is going on. They may not understand precisely every word in the legislation, but they certainly understand the issues. They know about Gramm-Rudman-Hollings, and they like the idea. It is the first sign the people have seen in years that gives them hope we finally mean business when we talk about cutting the deficit.

The Michel amendment is very close to Gramm-Rudman-Hollings. It is not identical, but it is certainly a fraternal twin. I look on it as a stronger brother.

□ 1240

Mr. Speaker, the Democratic alternative is really not at all like Gramm-Rudman-Hollings. It is a very poor and distant relation. It is headed in only one direction: Toward higher taxes, the same old, tired theme that we have heard for so long. I do not like it, and I believe that the American people will not like it.

I believe they want the real thing, the Michel substitute. I urge my colleagues to join me in voting for it and getting down to business for a change.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. Brooks].

Mr. BROOKS. Mr. Speaker, the Gramm-Rudman budget proposal which the Senate sent over here is an unprecedented and irresponsible attack on our democratic form of government. The proposal takes away

control from those officials elected to set national policy; Senators and Congressmen and the President.

It is a 5-year plan. Now, the Russians have got a 5-year plan and now we are going to have one. It is going to set our Nation on an unknown fiscal course with an automatic pilot at the helm. I do not believe that our 200-year experiment with elected officials running our Government should be shelved at this time.

The proposed House amendment is at best an effort at damage control. But at least it is a serious attempt to avoid the worst traps of Gramm-Rudman that so endanger our Nation, its people, and our economy.

The House amendment contains some absolutely essential safeguards to preserve the integrity of our democratic system of government. Foremost among these is a provision ensuring that, should one part of this proposal be found unconstitutional, the entire package would be invalidated. The triggering mechanism and the sequestration powers are so closely linked that they cannot be separated.

The Senate version would leave the Office of Management and Budget, the most notorious number cookers in the history of many, to unilaterally determine whether or not the President will have the opportunity to sequester funds. We must not allow the possibility that only one finger will be on the trigger, that of OMB, in this or in any other administration.

The other vital provision in the proposed House amendment authorizes a quick judicial review of the act. It would provide an immediate review to determine whether CBO's involvement in the trigger process violates the Constitution. In addition, the House version would authorize expedited review of all constitutional issues through an action brought by any Member of Congress or other adversely affected person.

There is hardly anybody who can say with a straight face that Gramm-Rudman or any version of it is free of serious constitutional questions. It is vital that we have a mechanism in place to ensure that those questions get to court and be addressed directly.

Now the two provisions that I have just described offer enough reason to tip the scales in favor of a "yes" vote on the House alternative. Let us face it: Gramm-Rudman in some form is probably going to be enacted into law within the next few days. The least we can do for our constituents, for the institution of which we are a part, is to ensure that the version enacted will have safeguards that offer some degree of protection to our democratic form of government.

Mr. DUNCAN. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding me this time.

Mr. Speaker, about 3 weeks ago the Senate sent us the Gramm-Rudman-Hollings deficit reduction balanced budget proposal. For all that time, the House has worked in conference with the staffs of four or five committees giving, I think, more than ordinary care to this very difficult conference proposition. Some good work was done and some very good refinement in what the Senate had sent over was accomplished.

Republicans and Democrats in the conference were able to make important contributions and amendments with respect to baselines and timetables, procedures and rules, and more specific items like Federal pay. Those were accepted not only by Republicans in the House, but by the Senate as well.

There are some minor discrepancies relating to certain regional interests, like the special advantage of TVA and the disadvantage of Bonneville Power Authority, but I know that Members will have looked those over very carefully.

The major difficulties came where the Democrats in the House decided to stonewall on a half-a-dozen issues that they felt were of overriding importance. In one of those issues, they took the OMB out of the process. Once you do that, of course, you threaten the constitutionality of the whole bill. The Senate provision and the Michel amendment will have the OMB and the CBO working cooperatively and having their work certified by the GAO and other Presidential appointees.

The other thing that the House did that will be clearly unconstitutional was to use the so-called Panetta rule, which deprives the President of his veto authority after the House and Senate might have achieved the targets by passing their bills, but before they had been signed into law by the President. It is a very unlikely combination of circumstances, so quite obviously, one can only conclude that the provision was intended to make the bill unconstitutional.

In addition, the Democrats put into their package nonseverability of the constitutionality of the entire bill, which means that, if any small provision is deemed to be unconstitutional, the whole bill is unconstitutional. Quite obviously, Democrats have administered a poison pill to the House Democrat version, of which no one seems to claim paternity. That version is built not to succeed. It is sure to fail, because it is designed to fail.

Now, another major disagreement was that the Democrats sought to exempt a number of their pet articles from sequestration. These programs are typically low-income, means-tested programs which are good and worthy

programs. But they should no more be exempt from sequester than any other program of the Federal Government. We ought, insofar as possible, to subject everyone to the process. In that way we can have a some kind of generally uniform cut.

The Democrats also provided for a catchup of COLA's which probably is not a terribly important feature except that it perverts the system and makes it more difficult to achieve our target in future years.

Finally, Democrats wanted the bill to be effective this year. The Senate did not object, nor do House Republicans. In our Republican version, contrary to remarks made here today, we make the bill effective this year, seeking to achieve our own budget level, which was about \$172 billion. At this time, we are going to miss our own budget target by more than \$20 billion. If we can achieve that budget level through the Republican version of Gramm-Rudman in the first year, the Republic will be billions of dollars better off than under the Democrat proposal.

Now, the Republican compromise is as close to being constitutional as we can. It puts everything into sequestration except for Social Security. It is operative this year to meet our budget.

What happens if you vote for the Democrat plan? The Senate will reject that plan and it will reject temporary extensions of the debt ceiling.

So if you vote "yes" on the first vote, if you vote "yes" for the O'Neill plan, or whatever it is called, you will vote to disinvest the Social Security fund because that is inevitably going to happen. So I hope the Members vote "no" on the Democrat plan.

□ 1250

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I simply want to urge adoption of the Rostenkowski alternative for the following reasons. There are three main differences between Gramm-Rudman and the Democratic alternative today.

The first is that the Rostenkowski amendment will take the medicine now. It provides for a deficit of \$20 billion less than the target under Gramm-Rudman. It provides for a deficit of \$28 billion less than the trigger provided under Gramm-Rudman.

Second, as this chart demonstrates, under the Democratic alternative, we get to a zero-deficit proposition 2 years earlier than Gramm-Rudman if the administration's estimate of the economy is correct; we get to a zero deficit 1 year earlier than Gramm-Rudman if the Congressional Budget Office estimate is correct. Under CBO estimates, we would incur under the Democratic alternative \$237 billion less in new



public debt than you would incur under the schedule provided under Gramm-Rudman.

Third, we get to that zero deficit in a way which recognizes reality. Gramm-Rudman says that whether you are going uphill in the economy or downhill, whether the traffic is heavy or whether it is light, you are going to keep your foot pedal on the same speed, \$36 billion a year. We say that is nuts. We say that is a good prescription for a crackup.

We say instead you ought to cut the budget deficit more in years when the economy is growing fast like it is right now, and you ought to be more cautious about it when you are going very slow in the economy and when a very huge cut would tip the economy into a recession. We avoid the Herbert Hoover economics of 1929, 1930, and 1931, when they kept following the same policy regardless of economic circumstances.

Now, we are told in this last-minute minority alternative that will be presented that there is a way to get out of the recession under the Republican amendment. Let me point out, however, that there is no provision in their proposition which will allow us to avoid a recession ahead of time as we have in our bill. And I would point out also that by offering their exception under the recession they admit that under Gramm-Rudman they can no longer guarantee that we will get to a zero deficit under Gramm-Rudman. I think that makes it clear which alternative is the most serious about deficit reduction under responsible circumstances.

What they say is that if we get into a recession, then we will at that time decide if we will do something about it. They say, "Trust us. We will have a secret plan once the wreck occurs." We say, "Avoid the wreck by following this policy now."

The Rostenkowski plan is the only plan that cuts the deficit now. It is the only plan that relates what we do to the real world of economic conditions we face. It is the only plan that is truly recession sensitive. It is the only plan that cuts an additional \$237 billion out of new public debt. It is the only plan that says take the medicine now. It is the only plan that provides a more equitable treatment for the sick and the poor. It is the only plan that treats the elderly on Medicare more decently or at least as decently as we treat military contractors who already are paying no taxes.

I urge the Members not to cave in to the blackmail of the Senate, not to listen to the argument that we must only pass their alternative. Do not listen to that argument that says that because they have tied senior citizens to the tracks and the train is coming, that if we do not pay the blackmail, they will let the train run over them.

It is like saying, "Save me before I kill again." I urge Members not to listen to that nonsense, to do what they know is economically responsible, to do what they know is fiscally responsible, to vote for the Rostenkowski alternative.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. HORTON].

Mr. HORTON. Mr. Speaker, I rise in opposition to the Rostenkowski proposal. I do so on the basis that I think this is a very complicated process that has been suggested. The Gramm-Rudman proposal was presented to the conference. As a member of the conference, I sat through hour after hour after hour of meetings. During the conference we formed task forces, and we worked together on those task forces, Republicans and Democrats, to try to come up with a proposal that could be acceptable. I think it is unfortunate that we do not have before us now—and I think we were very close to it—a proposal that could be accepted by both sides, that could be presented here this afternoon on the floor so we could move forward and address other matters.

As a matter of fact, I voted with some of the Republicans and Democrats to accelerate the Gramm-Rudman and make it applicable to fiscal year 1986. I have no problem with immediate action to reduce the deficit. What we are finding is a situation in which we are never going to arrive at a balanced budget unless we do something drastic. That is what the Gramm-Rudman process and trigger is all about. But there is available to us the opportunity for the Senate and the House and the Executive to meet these budget deadlines and these budget goals that we set within a certain period without having to pull the trigger.

Excessive Federal deficits and a national debt that approaches \$2 trillion stand as the most serious domestic problems facing our Nation today. All Americans are affected. Future generations are affected, for it is they who must repay this debt.

No end is in sight to these spiraling deficits and debt. That is the problem we have been attempting to resolve these past few weeks. The mandatory deficit reduction packages and proposals we have considered have been criticized by people in both parties, and by individuals and organizations reflecting the entire spectrum of political thought. But the bottom line is this: Discipline is needed in the Federal budget process. Discipline is needed because the current budget process doesn't work. It is just that simple.

Sequestration is the key element in the two proposals we will consider today. The central issue dividing me and other conferees was which programs would be subject to the sequestration process and which would be

exempt. I have a large folder stuffed with letters from practically every organization imaginable expressing their concern over the need to reduce the Federal deficit, but not in their specific program. All of their arguments are good ones. They make sense. By and large, the programs authorized and funded by the Federal Government play essential roles in our society.

However, the deficits and debt remain as a constant and growing threat to the stability of our economy, and to our Nation's ability to compete in an increasingly competitive world market—today and in the future as well.

Let us not forget that the sequestration process is triggered only if we fail to meet the projected budget targets. We in Congress ultimately decide whether that trigger will be pulled.

But my point is this: If the trigger is pulled, then all must share in the reductions that are mandated. The \$93 billion in added exemptions provided by this amendment does not contribute to this principle of fairness and equity.

Mr. FAZIO. Mr. Speaker, will my friend, the gentleman from New York, yield?

Mr. HORTON. I only have 3 minutes, but I yield to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. The gentleman from New York [Mr. HORTON] in a very bipartisan way in the conference yesterday indicated concern about the Senate version of Gramm-Rudman as it related to Federal pay. He favored the provision that was in the House Democratic alternative. Would the gentleman comment as to whether he still feels that way?

Mr. HORTON. Yes, I will be very happy to. The Michel proposal accepted the proposal we presented yesterday. That is, what the House conferees presented with regard to pay. There will be no reduction in pay. What the gentleman is talking about is that the proposal that came over from the Senate to the conference last night proposed that there be reductions in pay, both for civilians and military employees of the Federal Government. I was and am opposed to that.

Mr. FAZIO. So the House position would prevail on that issue?

Mr. HORTON. And that has been cured in the Michel position.

Mr. FAZIO. Oh, I see.

Mr. HORTON. I would not have accepted the Michel position without having that pay problem resolved, and the pay problem is resolved. I was concerned about reduction of military pay.

Mr. FAZIO. Well, I shared the gentleman's concern.

Mr. HORTON. We have fought too hard to make certain that the military is adequately staffed, and if we came

through with a cut in this sequestration, I think we could have been driving people out of the military.

Mr. FAZIO. Well, I appreciate that.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. HORTON] has expired.

Mr. HORTON. Mr. Speaker, may I ask the gentleman from Tennessee [Mr. DUNCAN] if he will yield 2 additional minutes to me?

Mr. DUNCAN. I do not have the time. However, Mr. Speaker, I will yield an additional one-half minute to the gentleman from New York [Mr. HORTON].

Mr. HORTON. Mr. Speaker, I would just like to point out that many of the things of concern to conferees have been included in the Michel proposal. There are very few differences, but the important thing is that the Treasury is going to disinvest Social Security unless we do something and do it today. The best way we can do it is to accept the Michel amendment.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, I want to compliment the gentleman for clearing up the question in his answer to the gentleman from California [Mr. FAZIO], because he is eminently correct in how he explained the issue in our proposal.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. HORTON] has again expired.

□ 1300

Mr. GEPHARDT. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Speaker, I will be brief.

The Rostenkowski plan is far superior to what we have from Gramm-Rudman in terms of the Budget Act and procedures. There is a clear difference, both in terms of timetables and in terms of the Budget Act.

Basically, what this plan incorporates is 2 years of work by the Beilenson task force of the Rules Committee examining the Budget Act. It incorporates the best features of the work of that task force over a several-year period. It accelerates the budget process at the beginning. We would have to pass a budget by April 15 as opposed to May 15 in current law. Reconciliation would have to be finished by June 15 and appropriation bills would have to be completed by June 30. It would greatly enhance the efficiency of the operation of the Congress and ensure that we would get on with our business in a timely manner.

Also, it addresses a serious inequity in the Gramm-Rudman proposal; that is the timing of sequestration. Under the Rostenkowski plan, now the CBO report would be due August 20. The

President's sequestration order would then be due September 1 and Congress would have until October 1 to complete our response to the sequestration process. That means that we would have completed everything that is required by the beginning of the fiscal year, as opposed to the Gramm-Rudman plan that would carry us past the fiscal year, would carry us through the month of October, and require Congress to be here up and until the date of the election. It is clearly a prescription for chaos. It cannot work because of the time constraints being placed on Congress.

Also, the Rostenkowski plan addresses other serious deficiencies in Gramm-Rudman. Gramm-Rudman would impose super majorities of three-fifths of those Members elected and sworn to be able to waive any points of order. That is unprecedented. We did not impose a super majority on this House under any procedure. Our plan would simply follow the normal procedures of the House requiring that this House can operate by majority vote.

Also, the Gramm-Rudman proposal would provide for 302(b) allocations all the way down to the subcommittee level, which would be binding and would be very difficult to make workable. The Rostenkowski plan imposes allocations at the full committee level on spending at the 302(a) level.

Clearly the Rostenkowski plan is a more efficient, more workable plan that can achieve the objectives, and I urge its adoption.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. Mr. Speaker, I rise in opposition to this amendment, and perhaps, since we do name things around here, we should name this amendment "The Unbalanced Budget Act of 1985."

The amendment does not promise the American people a balanced budget by 1990. It promises them nothing. Only under Gramm-Rudman would Congress truly be forced to balance the budget by 1991 at a steady and achievable, though difficult, reduction of \$36 billion a year.

The amendment before us would balance the budget if, and only if, the economy continues to grow in a prescribed manner. If the economy slows down, if the economy remains static, we would never have a balanced budget. If the economy gets too strong under this particular amendment, Congress could be forced to cut \$80 billion or \$100 billion, something that no one on God's green Earth thinks the Congress would ever do.

If we use this year's numbers, and if this amendment were in force, this proposal, the Obey proposal, would cut \$4 billion less than Gramm-Rudman.

At 2 percent GNP growth, it would be \$15 billion less than Gramm-Rudman.

In a recession, the House could amend the bill.

The proposal also kicks in this year in just a few weeks in a way that would force the President to sequester, instead of having this Congress make the difficult decisions. It chokes the process before it has a chance to work.

I was sitting with a few of my colleagues—I am going to throw this aside, because it is just more of the kind of chatter we are going to hear on both sides—thoughtful, reasoned debate, and my colleague said that this is foolish. We have chosen thoughtful people to argue as if this were real.

This is a cover. I want to personally say that I admire those liberals on the other side of the aisle that honestly have said from the start they detest Gramm-Rudman, they do not approve of it, and they are not going to vote for it. That is an honesty and integrity that I can respect; but what we have before us today from the Democratic side of the aisle is a cover. It is a tent, so that, politically, Democrats who have never wanted to cut a budget before, who never want to make the difficult decisions, can go home and say, "See, see?" And because it is going to be too complicated to understand.

Well, I believe the American people are going to know.

The Rotenkowski amendment is nothing but a cover in a political year and it is meant to destroy the single chance we have to truly cut the deficit with Gramm-Rudman. That should be clear to everyone when you vote.

There are going to be votes for this amendment that have never voted to cut any program before and those votes should be recognized.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Speaker, many of us this year put in a lot of hard hours trying to craft a budget to reduce the deficit. And the objective of the whole process we conferees have undergone for the last 2 weeks is to reduce the deficit—in a fair manner. To do that, programs must be reduced across the board. Such a reduction is achievable and it was proven this year. The 92 group budget did just what has to be done—reduce programs across the board—first through a comprehensive freeze, and then through reducing below a freeze programs in virtually all budget functions with an eye toward fairness. That budget, if enacted, would have provided \$51 billion in outlay savings in fiscal year 1986, verified by CBO, which, by the way, everybody on the other side of the aisle is trying to say has such credibility, by excluding OMB from determin-



ing whether sequestration is necessary. And, with fairness in mind, what did the 92 group end up with after we put back together all of the parts of the budget we dissected? Half our cuts came from defense, half from nondefense. With fairness in mind, it can be done.

Now we are looking at a plan that has so many exemptions, so many programs exempted from the across-the-board principle, that it violates what we believe is the only common denominator to reduce this Federal budget—I repeat that, the only common denominator that I can find that is agreeable on both sides of the aisle to cut this deficit by reducing our spending, to achieve a balanced budget, and that is the across-the-board principle.

Now, this exemption list is so high today that it is now over 50 percent, of all Federal spending—it exempts fully 62 percent; 62 percent of all Federal spending would be exempt from reductions under the Rostenkowski proposal.

Now, that is a shell game. It is a political document, not a document that would provide for a credible budget, and it is not achievable.

So I ask my colleagues today, let us not support this plan. It is impossible for it to work—and that has been done purposefully—to prevent spending reductions.

The exemptions called for by the Democrats are all very good, politically attractive issues. But if you open the dam sluice gates to these programs, the reservoir is so full of spending programs, you're going to have a flood, a flood of spending which will overwhelm any efforts to halt it.

I do not think the American people are asking for a political document. They are asking for some courage and some guts here to cut the deficit and achieve a balanced budget. Now, let us get on with that, but let us do it fairly and across the board and treat every program equally and not exempt every program.

So I suggest today that we defeat this program and adopt the Michel amendment.

Mr. GEPHARDT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, this is no cover. This is the real thing. The moment of truth is here. Do you want to cut the deficit within a year by \$16 billion, or do you want to wait until after your election when it is most comfortable? If you want to cut the deficit now, you will vote for the Rostenkowski proposal.

Yes, we are not ashamed of the fact, we are proud of the fact that we will protect the most vulnerable people in this country. We are proud of the fact that we will protect children, give them a decent meal, and veterans' pensions, and yes, some health pro-

grams and some programs for pregnant women so that their children will be born healthy. We are proud of protecting those people. They are the most vulnerable.

And we are proud that we do protect to a limited extent, at least, the people who serve this country in the military and our civil servants because Gramm-Rudman would change the whole classification system of civil servants and the military.

Let me tell you, there is one more provision that we have in our proposal that no proposal has. I want you to pay strict attention to this, because your retirees when you go back home this weekend are going to ask you about this. Your railroad retirees, your military retirees, your civil service retirees, and your Social Security retirees are going to ask you if the Treasury Department dipped into their trust fund.

Let me tell you the answer is yes, and the gentleman from Oklahoma, JIM JONES, is going to explain this a little further about Social Security.

But let me just take civil service and military retirees. We have seen an erosion of their trust funds to the tune of \$8 million a day since October 1; a grand total of \$248 million has been depleted from those trust funds because of the lack of investment, never to be recouped unless it has a provision which Congressman JONES and I put in the bill. Those moneys will be restored.

So I ask you to support the Rostenkowski amendment.

Mr. DUNCAN. Mr. Speaker, I yield 3½ minutes to the gentleman from Florida [Mr. MACK].

Mr. MACK. Mr. Speaker, I thank the gentleman for yielding.

We are here today to supposedly bring to a conclusion the debate over doing something significant about the deficits that we have all talked about for several months.

The difference between the two amendments that we are talking about today is this. One has a goal certain, the other does not. One pretends that it has a goal certain starting at \$161 billion and working down through a series of numbers.

Ours has a specific number of \$171.9 billion, the deficit number in the budget resolution that you passed; and by the way, it has no fudge factor in it.

What it means is that there will be an automatic sequestering of funds across the board this year. So, if you are going to use that as an excuse not to vote with us, that is no longer valid.

But let me tell you the little game that is going on, what I refer to as the typical back room political activities here in Washington, the shell game. We heard one of the speakers get up here and talk about the fact that this was a balanced budget plan that was being offered by the Democratic

Party. Well, that is true except the maximum—and this is from your proposal—the maximum deficit amounts contained in paragraph 7 shall be altered in accordance—notice the word “altered”—altered in accordance with the provisions of this paragraph to reflect changing economic conditions.

To arrive at the deficit target, you take the deficit for the preceding fiscal year, minus 20 percent of the deficit for the fiscal year 1985, except that the percentage specified in this subparagraph shall be either increased or decreased by 1 percent, depending on a one-tenth-of-a-percentage increase or decrease from 3 percent, which as you all can tell, I mean, there is no question that that will get us to a balanced budget by 1990.

Did I make that clear?

Again this is quoting language in your bill.

□ 1315

If that is not enough for you, what else has been done is that they have designed this thing knowing it will be unconstitutional. How did they do it?

Mr. OBEY. Mr. Speaker, will the gentleman yield?

Mr. MACK. No, I will not yield.

They have left OMB out of this proposal. In other words, no longer will the executive branch be involved.

They have also taken away the Presidential veto. What they say is that legislation that has passed in both Houses but not signed by the President can be included in the baseline, and, once again, what have we ended up with? We have ended up with a shell game. You are fooling the American people once again.

We have heard it. We have all heard it year after year when we go back home. They say, “We do not believe anything that goes on in Washington.” What has been created by you is exactly the same kind of thing—a shell game that will no longer accomplish what we started out to do, to balance the budget by 1991.

They have exempted programs. Certainly, we are all concerned about people, but every time we exempt a program, and by the way, if you happen not to be one of the special interests that they protect, what that means is that the remaining programs will have to take a double hit.

I would close with this: Our families, our children, the American workers, have been asking for something to be done. Do not give them one more political shell game.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. I thank the gentleman for yielding this time to me.

Mr. Speaker and Members of the House, after years of rhetoric and

after years of struggling and wrestling with the issue, today we make a decision on how we want to achieve a balanced budget.

There is a Democratic alternative and there is a Republican alternative. Neither is perfect, neither may be workable and neither is terribly fair. But one of them will be chosen by this House, and there is a question of which one it should be. Let me say that both the Democratic plan and the Republican plan will cut spending. Both the Democratic plan and the Republican plan aim to balance that budget by 1991, but there is a very real difference between these two plans.

The Gramm-Rudman plan is a torpedo that is aimed at the ship of state. What the Democrats have said is that before this ship sinks, before the ship goes under the waves, we will try to put women and children into the lifeboats. We will take those who need health care in the beginning of their lives and we will provide that. For those who need health care at the end of their lives, we will try and provide it. For those who need nutrition to grow and to thrive and to become productive citizens, we will try to provide it. For the poorest of the poor in this country, we will try to provide sustenance for them.

That is not all of the people who need help in this country. We basically provide a triage for the poor. For those who are the most seriously affected by the disadvantages in this country, we have tried to take them off of this ship and put them into the lifeboats.

But the Republican plan has done just the opposite. It has targeted them for destruction. It has targeted those communities for destruction and for direct hits. How has it done that? Because they have continued to try to shift the exempt programs away from domestic and toward defense programs. They have continued to try to unbalance the cuts that Gramm and Rudman said they wanted to provide.

So the question is: Both plans will take us to a balanced budget in 1991, both plans will cut spending, both plans will reorganize this Government. The question is: When we do this, will we do it with some compassion and some understanding so those, the least fortunate of us, will have an opportunity to try to thrive in the American society?

Mr. DUNCAN. Mr. Speaker, I yield 3½ minutes to the gentleman from Ohio [Mr. GRADISON].

Mr. GRADISON. I thank the gentleman for yielding this time to me.

Mr. Speaker, we have been hearing from the other side all kinds of splendid arguments for voting in favor of the Democratic alternative. There are at least four reasons we have not heard much about.

First, if you are in favor of disinvestment of the Social Security trust funds, then by all means vote "yes." There is much we do not know about the Democratic plan, but one thing for sure is that it will be rejected by the other body. That assures us that the Treasury will have no choice but to disinvest. Those of you who vote "aye" can count on spending the next year explaining to senior citizens why their trust funds were misused in this way.

A second reason to vote "aye" is to assure that we will have a plan that will not work. The Democratic plan is programmed to self-destruct, carefully written to assure unconstitutionality by leaving OMB out of the process and by including a nonseverability clause.

A third reason to vote in favor of the other side's approach is to assure continued big deficits. The inclusion of floating, readjustable targets practically guarantees continued big deficits. And so does the provision for detragging, if the Congress meets the deficit target but the President vetoes the legislation. This is like going to war with a water pistol. What we need is a trigger that shoots real bullets in order to force the Congress to implement its own budget goals.

And finally, an "aye" vote assures unequal treatment of spending programs. It throws out the window the notion of evenly shared reductions by adding to the list exempt from any cutbacks, and even treating Medicare, which is not an indexed program, as if it were. Do not be confused by the idea that these additional exemptions are meant to zap defense. Yes, defense will get a heavier hit, but so will a long list of nondefense programs.

As for this Member, I will vote "no" because I want a plan that will work. I will vote "no" because I want a plan that will end big deficits. I will vote "no" because I want to assure equal treatment of spending programs, and I will vote "no" because I oppose disinvestment of Social Security trust funds.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RANGEL].

Mr. COLEMAN of Texas. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. I thank the gentleman for yielding.

Mr. Speaker, I would only point out that no plan exempts veterans' pensions except the Democratic plan, and I think that is of paramount importance. They are not a special-interest group. They are veterans who served this country and to whom we owe a debt of gratitude. We need to protect them.

Mr. RANGEL. Mr. Speaker, I cringe when I hear this program described as the Democratic alternative. I came to this House this morning opposed to

this program, but the more I hear from the opposition, the more I am convinced that this is the only program that we really have that we can be proud to go back home and say that we are supporting.

We are talking about shell games. Is this a Democratic-controlled deficit that we are talking about? Did the Democrats reduce taxes by some \$750 billion? Was it the Democratic President who has brought a budget out of balance every year for the last 5 years? Was it the Democrats who really are asking that we increase the debt ceiling to over \$2 trillion? Is it the Democratic President who is bringing us a deficit of over \$200 billion for this year? Is it the Democrats who are asking us to invade space in order to make certain that we take away from our kids, our aged, our sick, our blind, and our disabled?

If we are talking about some equity here, I came in here believing that this alternative lacked the sensitivity that it deserved for the American people. But I tell my colleagues this: When the vote is taken today, do not believe that it is just the Democrats who have the poor and the aged and the blind. Take a look at the people in your district and remember, when the final count was taken in terms of balancing the budget of the United States that at last it was one party that considered those who had nothing to do with making it unbalanced, and we are here to protect them today.

□ 1325

Mr. DUNCAN. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. DUNCAN] has 8½ minutes remaining and the gentleman from Illinois [Mr. ROSTENKOWSKI] has 10 minutes remaining.

Mr. DUNCAN. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. LATTI].

Mr. LATTI. Mr. Speaker, let me say I enjoyed listening, as I always do, to my good friend from New York [Mr. RANGEL].

The only thing he forgot in his remarks was that this House has been controlled by the Democrats every day since I have been here, and as long as I can remember. And that every single spending bill has gone first through Congress. Not one single President, be he Democrat or Republican, has ever spent one single penny that was not first authorized and appropriated by whom? Those same people that my friend from New York was alluding to. Yes.

Mr. Speaker, let me say that this is a serious business, very serious. We should not take it in jest. Let us consider what we have before us today.



We have a \$2 trillion debt. I do not care who you blame, whether you blame the President, whom you always try to blame, or whether you blame yourselves, we have a \$2 trillion debt. That is taking 15 cents out of every single dollar that comes into this Treasury just to service that debt, and it is up 50 percent in just 10 years. We have a serious problem.

Let me say that all of these programs that have gone through that have cost money, you voted for. I am glad to hear at least once that liberal spenders are saying that today we want to do something about it.

But where were you when you were being contacted by the chairman of the Budget Committee, when we were in conference on the budget wanting to find ways that we could cut in the budget bill that we finally passed on August 1? You were saying no, you could not cut those programs, and we came back with a \$171.9 billion deficit for fiscal year 1986. My, it was tough.

But is it going to be tougher today. If you ever pass the \$161 billion deficit ceiling that you allude to, I am ready to make those reductions and to put my vote where my mouth is. Are you? You have not been ready in the past. I can point out a couple who have, but only a couple. But it will be tough. Why? Because private sector forecasters are saying the fiscal year 1986 budget deficit will be \$200 billion. That means we will have to cut or sequester \$39 billion to get to that \$161 billion target—at an annual rate, that is \$53 billion in further cuts—we are already through part of fiscal year 1986.

Let me say a yes vote today for this hastily contrived Democrat plan is a no vote, for Gramm-Rudman and you cannot escape that. The other body will not accept it. You know it and I know it. We need to pass a proposal which stands a chance of being adopted by the Senate—namely the Michel proposal.

Now what does the Democrat plan do? It reduces to \$161 billion the deficit in fiscal year 1986, but at the same time you are adding \$50.5 billion in additional exempted programs, from the Gramm-Rudman sequestering provision. You cannot have it both ways. This is your proposal, not mine. In the conference I voted for the \$161 billion limit but not with all of these exempted programs added on, not \$50 billion. So it you are sincere, take out the \$50 billion.

No, you are not willing to do that. No one can support this \$161 billion figure with the billions of dollars in exempted programs because it is unachievable unless, of course, you want to run up the white flag and proclaim to the world that the United States no longer sustains a strong national defense. The Russians would love for this House to cut the legs off of our

President just before he meets with their leader on arms reduction.

If you vote for the Democrat plan, you might just as well tell the President of the United States to stay at home, because we have taken all of your bargaining chips away from you.

Under the Democrat proposal, only 44 percent of the total budget would be subject to sequestering. With Gramm-Rudman 59 percent is available for sequester. Need I tell you where we will get the lion's share of these reductions with the Democrat plan? Out of defense, out of defense.

Is that what you want? That is what you will get under this proposal.

So if you want a proposal, I say vote down this hastily contrived plan.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Speaker, it is a sad commentary on our times that the Congress has not been able to discipline itself on spending. We would not be in this dilemma today if we had been able to cut spending. But today, our Government is in another fiscal crisis and is being brought to its knees because we haven't been able to address this issue. The people deserve better treatment from their Congress.

It seems obvious that some kind of sequestration procedure is going to pass. Neither of the alternatives are perfect, but the Rostenkowski proposal is more fair.

I take strong personal objection to the accusations by my friends on the other side of the aisle that this alternative is a shell game and a cover. The fact that our alternative would reduce the deficit to \$161 billion starting this year speaks far more eloquently of our sincerity and commitment to reduce the deficit than all the partisan charges that this is simply a shell game.

This deficit belongs to all of us in this room, not to any single political party. I hope the alternative will pass and the other body will send us back a bipartisan proposition that will enable us to meet our obligations to this Republic.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, before us I think is one of the most important votes of our career because it impacts on every program, every jurisdiction, every constituent. And more importantly, it impacts on the checks and balances that were built into our Constitution. This is not a vote that we ought to take carelessly.

This proposal, from its beginning, was born in frustration, and it was born in panic. But that is not reason for the House of Representatives to act out of frustration or out of panic. We need to consider this proposal

carefully and try to make it balanced and effective and fair.

We have tried to do this over the last few weeks in conference. It is not easy to do to resolve all of the problems in Gramm-Rudman. But at least we know what is in the Democratic alternative. They still do not know what is in their alternative. They are working late into the night to try to develop amendments. They have had four weeks to present something to the Congress, and yet they continue to make changes.

We know what is in our proposal and what needs to be cured. We want to make our proposal as we have, sensitive to the economy. That is important. We make it real. Yes, it is a \$161 billion figure, but we feel if we are going to do this, let us do it now, not later.

Third, we make it fair, because we do feel that the poorest of the poor need to be protected. If we are going to exempt 52 percent of the Federal budget, then by God, we ought to at least exempt the people who are the poor in this country.

And in addition to that, we protect the balance of powers. Yes, we use CBO. What is the matter with the CBO? The whole argument in the other body was that they want to make this ministerial for the President. Our proposal makes it ministerial because we retain control over what the order is that goes to the President.

We also guarantee that there will be a constitutional test of this proposal which is absolutely essential. This is not an issue on the deficit. We are all concerned about the deficit. This is an issue of the Constitution, of justice and of the balance of powers.

Vote for the Democratic alternative.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Speaker, the choice between the Democratic and Gramm-Rudman deficit reduction plans is one of the sorriest choices this House has ever had to make. Neither plan, neither alternative, is very fair, very persuasive, or very permanent, and there is plenty of blame to go around. We have passed a lot of bills. The President has refused to veto every one of the bills. So there is plenty of blame to go around.

But the choice is only between two plans. There are three major differences between the two plans.

Our plan starts now, your plan starts after the election.

The second difference, our plan starts now, your plan does not start until after the election.

Finally, the third difference, our plan starts now, your plan does not start until after the election.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I rise in support of the Democratic alternative.

You know, we, as individuals, really look after our own turf in Congress.

I say the veterans are treated more fairly under this alternative than under Gramm-Rudman.

Mr. Speaker, under this proposal, the disabled veteran and the low-income veteran is treated just like the Social Security recipient, and that is the way it ought to be. There are 28 million living veterans and 60 million dependents of veterans, and they will be affected by being included in the cost-of-living increases under our alternative.

Mr. Speaker, I am proud to say under the Democratic alternative the veteran is not treated as a second-class citizen.

□ 1340

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. Mr. Speaker, I speak at this time as a Democrat who strongly favors a constitutional amendment to balance the Federal budget. I am one of those Democrats that my friend, the gentleman from Ohio [Mr. LATTI] referred to as a Democrat who votes time and again for budget reduction.

If I thought Gramm-Rudman was the best approach today to balancing the Federal budget, I guarantee I would vote that way, but surely the American people can see what is going on here. Gramm-Rudman puts budget cutting on hold until after the 1986 elections, the congressional elections, mind you; the people of America are sick and tired of rhetoric, and want action about this \$2 trillion debt.

Gramm-Rudman makes no reductions in the first year, and does not require the Reagan administration to prepare a balanced budget. The Rostenkowski alternative would accelerate deficit reduction a lot faster than Gramm-Rudman.

Under CBO estimates, the Rostenkowski alternative would require a balanced budget by fiscal year 1990, 1 year sooner than Gramm-Rudman. The Gramm-Rudman scheme has a lot of appeal because it appears to balance the budget, but Gramm-Rudman does not even begin to reduce the budget until fiscal year 1987.

If you are really sincere about voting for budget reductions and a balanced budget, and if you are conservative, you will vote for the Rostenkowski alternative.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. LEATH].

Mr. LEATH of Texas. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. HUGHES. Mr. Speaker, will the gentleman yield to me?

Mr. LEATH of Texas. I yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Speaker, I rise in support of the Rostenkowski amendment.

Mr. Speaker, earlier today, I voted "no" on the motion to recede from disagreement with the Senate amendment. I did so because, like many of my colleagues, I am not at all happy with either the Democratic or Republican alternatives before us today. We can and should do better and I would send it back to conference where we were making progress on a bipartisan alternative until about 3 days ago.

I am very disappointed that the Democratic alternative takes certain programs off the table almost entirely, in terms of exempting them from some of the stringent budget cuts that may become necessary if the Congress fails to reach an accord on the best way to meet deficit-reduction targets. I don't dispute the importance of those programs—AFDC, food stamps, SSI, and others—to the sick, the elderly, and the needy. I have supported those programs in the past and will take a back seat to no one when it comes to concern for the most vulnerable in our society.

On the other hand, I find it difficult to completely differentiate those exempted programs from a number of others that also serve very important functions in our society, such as law enforcement, the courts, the Coast Guard, education, and others. I'm not sure that we should be creating any sacred cows—and I don't see that there is a sufficient basis to do so—as we attempt to come to grips with the terrific imbalance between Federal spending and revenues.

Indeed, such exemptions for certain programs place a disproportionate share of the burden on others because every dollar we don't cut from AFDC or food stamps is an extra dollar that must be cut from drug enforcement, the courts, the FBI, higher education, border patrol, and so on. Beyond that, many of these nonexempted programs have fixed costs, which means that budget cuts must come out of manpower.

As my colleagues know, I have been very concerned about the problem of law enforcement in this country, especially at a time when we are seeing a rise in international terrorism, bumper crops of illegal drugs flooding our shores, and major crime rings are sometimes better equipped than some of the armies around the world.

The types of spending cuts envisioned under the Democratic plan might yield law-enforcement cuts upward of 25 percent. I find that difficult to justify when other programs are being spared entirely from the budget knife.

On the broader problem of bringing runaway Federal borrowing under control, however, I have little doubt that the Democratic alternative is dramatically superior to the Republican proposal in terms of both

timetable and procedure. It contemplates that, if the economy is robust, deficit reduction can proceed at a quicker pace. On the other hand, if the economy is sluggish, the Democratic alternative slows the severe budget cuts that could otherwise turn a mild recession into a major one, or even a depression.

Assuming economic growth on the order of 3 percent over the next few years, however, the Democratic alternative gets us where we want to go a lot faster, with a deficit of \$57 billion by fiscal 1988, and just \$4 billion by 1989. The Republican approach, in contrast, has no cuts worth mentioning before fiscal 1988.

In terms of the procedures under the Democratic approach, responsibility for budget cutting would stay where it belongs—here in the Congress. It would amend our rules, so that any one Member of this body could make a binding objection if a budget was brought up which did not stay within our deficit-reduction targets. The targets could be overridden only by a three-fifths vote, the same as is set forth in the balanced-budget constitutional amendment which has been so fervently advocated by some of our colleagues.

If Congress does fail to do its job, the President would be required to follow a set formula in making the necessary budget cuts—just as would be the case under Gramm-Rudman—but without the dangerously broad exercise of discretion possible under Gramm-Rudman.

At the same time, the Democratic alternative allows for an expedited procedure for adjudicating constitutional challenges to the procedure.

In conclusion, despite its many shortcomings, the Rostenkowski alternative appears to be the approach which takes the most expeditious and responsible road to getting our fiscal house in order. I urge my colleagues to support it.

Mr. LEATH of Texas. Mr. Speaker, ladies and gentlemen, if there is anybody in this institution who really believes that we are going to vote for a perfect document in here today, you had better take a gut check.

Because, ladies and gentlemen, what we are doing and what we have done for 3 weeks now is to prove to the American people that there is no responsible way for us to abdicate our responsibility to govern.

That is the real thing that we are proving up here. Now, I applaud my friends Senators, GRAMM, RUDMAN, and HOLLINGS, for bringing us to this point, but I resent to some degree; I can understand partisan rhetoric as good as anybody, and I have done my share of it, but I resent, to some degree, as my friend, JAKE PICKLE, said when people say, "Oh, the Democrats are demagoguing with this \$161 billion."

Let me tell you something, neighbor: There is no demagoguery in the \$161 billion; it is going to bite Democrats; it is going to bite Republicans, and it is going to bite Ronald Reagan; and if



you do not know that, you have not read it.

Now, I am amazed that after years of trying to cut this deficit to see my friends, some of them on the Republican side the other night when we first threw out the figure of \$161 billion just go crazy; "Oh, my Lord, we can't do that. That is what we have been telling the people for 20 years, that we can't do it." Now who has got an excuse that we cannot do it?

We need to attack this deficit while we have got an economy that can stand this level of cuts, and I think that that is what this proposal does.

The good news, Mr. Speaker, and the American people, is that I think regardless of which one of these passes, that the American people are going to ultimately be the winner, perhaps, but I happen to believe, too, in fairness, because I am a conservative Democrat and because we are conservatives we do not have to say that we have no compassion for poor people; they are our poor people in this country.

It does not make any difference what your political philosophy is; I would much prefer that we solve this problem based on fairness and equity across the board; we are not going to do that; we have said we were not going to do it by statute in the Gramm-Rudman proposal.

So for us to come in here and say that we are not going to do the same to a few poor people and to the veterans in this country, I think is blatantly wrong.

So I would urge that we vote for this alternative because it is a good one.

Mr. COLEMAN of Texas. Mr. Speaker, I resent the implication of the gentleman from Florida [Mr. MACK] that veterans are a special interest. We as a Nation owe our veterans for what they have sacrificed to protect our Nation and our way of life, and the gentleman and his colleagues should not forget the debt that we owe them. That is the wrong attitude and action for this Congress to take. Under the Democratic alternative, veterans pensions and disability compensation would be excluded from budget cuts. Under Gramm-Rudman or the House Republican alternative they would be cut. That is just one aspect of the Democratic budget balancing alternative which makes it better.

The Democratic alternative will bring the budget in balance in fiscal year 1990, not fiscal year 1991 as the Republican and Gramm-Rudman plans would. It would begin the budget cutting today, not next year. It would avoid the political posturing contained in the Republican alternative and in Gramm-Rudman which would allow 22 Members of the Senate to avoid facing up to the cuts until after their reelection campaigns in 1986. The Democratic plan does what virtually every economist believes must be done—cut the deficit now rather than requiring that it be done in the future.

The Democratic alternative is clear and defined in what programs are subject to cuts, the Republican alternative and Gramm-Rudman are not. The Democratic alternative would exclude Social Security from cuts and take it off budget where it belongs. The Republican alternative and Gramm-Rudman would exclude Social Security, but would still leave it on budget and vulnerable to future congressional cuts. The Democratic alternative specifically excludes those programs which benefit the poorest of the poor. The Republican alternative and Gramm-Rudman would not. The Democratic alternative would exclude Medicare from cuts beyond annual cost of living adjustments to ensure that the elderly and disabled are not cut off the roles. The Republican alternative and Gramm-Rudman would leave them exposed.

The Democratic alternative takes into consideration the economic realities of fiscal policy. The Republican alternative and Gramm-Rudman do not. The Democratic alternative would tie spending cuts directly to the performance of the economy. When the economy is growing, spending cuts would be increased. If the economy were to shift to negative growth, then spending cuts would be lessened until growth is resumed. Therefore, in times of economic growth, like we are experiencing today, more spending would be cut under the Democratic alternative, which we are doing today, than under the Republican alternative or Gramm-Rudman. Likewise, were the economy to slip into a recession and the structural deficit rose, Gramm-Rudman would require greater spending cuts and tax increases causing an even deeper recession. That is simply economic insanity and all Americans would suffer.

The Democratic alternative cuts the deficit now. It puts all the spending on the table, both social and defense. It spares only the poorest of the poor, Social Security, and our veterans, to whom we owe a debt. We must join together as a Nation and contribute to the elimination of the deficit. To paraphrase President Reagan, "If not us, who? If not now, when?" I firmly believe that to eliminate the deficits, we must put Gramm-Rudman into effect now, not later.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of the basic thrust of the Gramm-Rudman-Hollings proposal. I do so out of a deeply held belief that at long last the Congress can fulfill its imperative obligation to do something constructive about the horrendous deficit in our Federal budget.

For far too long, Mr. Speaker, we have voiced objections to the deficit. Now we have an opportunity to translate our voices into reality.

Mr. Speaker, I realize that efforts to change the proposal before us in any way—at least in the eyes of some—might appear to weaken it. While that is generally true, in my view it is not true as to one most deserving group of individuals.

Mr. Speaker, as the ranking member of the House Veterans' Affairs Committee, I must recall to the members that adequate

compensation for service connected disabled veterans, their dependents and survivors involves a moral commitment of our Nation of the highest order. No commitment can or should exceed it. Gramm-Rudman would exclude Social Security recipients from its otherwise broad umbrella. If that is to be the case—and I do not object to that exclusion—then surely we must assure the same consideration for our disabled veterans.

To that end, Mr. Speaker, I earnestly urge all of my colleagues to again place upon the public record a reiteration of our commitment to those who have given greatly of their minds and bodies that this Nation might endure. I urge complete exclusion from the provisions of Gramm-Rudman-Hollings compensation for service connected disabled veterans, their dependents and survivors.

As the President has said, "They have already paid their dues to our Nation." We ought not to ask that they do more. If any group is to be excluded from Gramm-Rudman, this one ought to be at the top of the list.

Thank you, Mr. Speaker.

Mr. STARK. Mr. Speaker, as one of the Members who tried to work with the Senate in developing a plan to reduce our Nation's cancerous deficits, I urge my colleagues to support the plan developed by the House and to reject the Senate version.

Everyone knows we desperately need to reduce deficits. The present policy is immoral. It is burdening our children and their children with the taxes we refuse to pay for the services we demand. We are adding \$5,706 in new Federal debt per second to the burden of the next generation.

This excessive deficit spending keeps the real rate of interest artificially high, has made the dollar overvalued compared to foreign currencies, and has resulted in unprecedented trade deficits which are destroying the industrial base of the Nation and causing millions to be unemployed.

We must act—and we must act now.

And that is why the House offer to the Senate is the better form of the Gramm-Rudman amendment. It cuts the deficits now, to a level of \$161 billion from what will probably be a fiscal year 1986 deficit of about \$190 billion. It reduces next year's deficits to \$110.2 billion, compared to Gramm-Rudman's \$144 billion goal. It would reach a balanced budget by 1989, rather than Gramm-Rudman's 1991.

The House version of this bill will make this Congress and this President earn their pay, by making the hard choices we were elected to make. The Senate version postpones the pain and increases the injury to the economy.

The American people clearly support action faster than the Senate's bill. Yesterday, a Lou Harris poll was released showing that, while most people support Gramm-Rudman, even more people wanted it started immediately. By 61 to 34 percent, people say that they want the budget reduction process to start in 1986 rather than

waiting until 1987 for major reductions. My own poll of my congressional district this spring showed my constituents willing to make changes—defense cuts, revenue-raising tax reforms, and domestic cuts—which resulted in an average deficit of about \$44 billion.

Mr. Speaker, the people are so far ahead of the Congress on this issue that we have become a laughingstock. The House proposal, at least, moves quickly toward what my constituents want.

Both versions protect Social Security benefits. But the Senate bill really doesn't. Anyone who votes for the Senate bill is cutting Social Security—and any rhetoric to the contrary is false. After telling us for nearly a month that Gramm-Rudman placed Medicare in category 1, thus limiting the size of its cuts under a sequestering order to the size of the indexed adjustments, last night the Senate offer placed Medicare in category 2, meaning that payments to providers would be sequestered, and that Social Security beneficiaries will be charged for extra doctor and hospital fees. If that isn't a reduction in Social Security benefits, I don't know what is. By permitting freezes in spending on Medicare, the House bill is tough. The Senate bill permits cuts and will cause the denial of care and less adequate treatment for millions of retirees.

The poll of my congressional district clearly showed that people did not want safety net, or programs for the poor, disabled, and sick to be cut. The House bill exempts basic-core safety net programs from cuts under sequestering. The Senate offer did not. The Senate bill did, however, exempt such programs as the Export-Import Bank, the Synfuels Corporation, the Nuclear Regulatory Commission, and other less-than-essential agencies from feeling the pain of cuts.

For these reasons—quicker, more decisive action on the deficits, and a better sense of Government priorities—I urge support of the House proposal and defeat of the Senate bill.

Mr. RODINO. Mr. Speaker, I rise to state my firm opposition to any procedural device that pretends to deal with the budget deficit through "smoke and mirrors."

We stand united on the need to move immediately to bring the Federal deficit into line. There is only one way to accomplish that goal. We must act now to make cuts in spending—or we must increase revenues. The Gramm-Rudman proposal from the other body does neither of these.

Instead—while once again postponing these hard decisions—the proposal creates a procedural device that—if it works—would result in an unprecedented shift of legislative powers to the President. Although attempts have been made to limit the President's discretion under this bill, the simple fact is that Congress would be transferring substantial authority to the President to decide the manner in which spending cuts would be made.

Moreover, the cuts the President would make down the road will unfairly fall on poor and needy Americans. The claim made

in the other body that cuts in spending will be across the board is simply not true. Much of the defense budget is exempted—as is interest on national debt and Social Security. Thus, safety net programs, such as food stamps, health care, and child nutrition, already slashed deeply since 1981, would bear a disproportionate burden of further cuts.

I am dismayed that the Congress would participate in this wholesale giveaway of powers that our Founding Fathers so carefully preserved for the branch of Government closest to the people—the U.S. Congress.

When the Founding Fathers established this great Nation, one of their primary goals was to place government in the hands of the people—to protect against arbitrary government that necessarily results from all power being placed in the hands of a single person.

For this reason, our Constitution, which has endured and protected us for nearly 200 years, was based on the core principle of separation of powers.

Our Constitution establishes three branches of government—the Congress, which is charged with making the laws; the executive, which is charged with implementing the laws; and the judiciary, which is charged with interpreting the laws.

This separation of powers was not an idle one—our founders viewed it as essential to preserve our liberties.

Nor was this separation intended to be an efficient, "expeditious," expedient one. It was intended to force the leaders of this country to make tough choices that consider the contending needs, interests, and values of our citizens, and to do so in a public forum that can exact a political cost.

The Gramm-Rudman proposal is an assault—however clouded with rhetoric about the need to "balance the budget" and "reduce the deficit"—on this fundamental constitutional principle of separation of powers.

Gramm-Rudman leaves no doubt, either in its operative provisions or in its definitions, as to the consequences of the Presidential actions it authorizes—the President is required to permanently cancel outlays of authorized and appropriated amounts which were enacted into law in accordance with constitutional procedures.

The Gramm-Rudman proposal seeks to circumvent constitutional requirements, by delegating unconstitutional lawmaking powers to the President. The proposal attempts to authorize the President to undo a law by something less than a law—and is thus unconstitutional. While under the Constitution Congress can delegate the authority to implement laws, it cannot delegate the authority to repeal laws. This is precisely what the Gramm-Rudman proposal purports to do.

This defect is not cured by the role given to CBO—in fact, it is made worse in view of the Supreme Court ruling in *Buckley versus Valeo*, which precludes the assignment of executive functions to legislative branch agencies.

The separation of powers issue involved here is far more than a technical question of the procedures required by the Constitution. The framers of the Constitution were adamant that spending and taxing be in the hands of the legislative body which would make the decisions and set the priorities.

Congress can exercise this lawmaking authority regarding the power of the purse, as any other lawmaking authority, only through enacting laws. Any other procedure, however "convenient" and "efficient," is not constitutional.

It is no idle concept that only through the power of the purse does Congress have any effective control of the executive—as has been repeatedly demonstrated through our history, recently in the Nixon impeachment cases, and even more recently as Congress has prohibited or demanded the expenditure of authorized funds for various purposes. This power of the purse was given to Congress both so it could preserve its own prerogatives and so it could limit the otherwise potentially unlimited power of the President.

The Founders of this country intended that the Congress exercise its lawmaking authority to make spending and taxing decisions. The Founders no doubt knew the difficulty and discomfort that these decisions would produce. But these choices are among the most basic to be made by any government. It is precisely this reason that these decisions were placed squarely in the Congress, which cannot constitutionally refuse to make them, however politically advantageous or expedient it may be to do so.

1987 will be the 200th anniversary of the adoption of the Constitution. I urge my colleagues to carefully consider the nature and consequences of the decisions we are called on to make today. We must make the necessary—and very difficult—choices required to reduce the deficit. But at the same time, we must discharge our responsibility to preserve both the spirit and the letter of the Constitution upon which this Nation is founded.

The alternative before us today is an improved version over that which came from the other body. It begins to make cuts in spending now and does not wait for a whole year. At the same time, this alternative recognizes the critical needs of the poor and exempts or minimizes the impact of budget cuts on safety net programs. The alternative also puts a measure of flexibility into the deficit targets to take into account varying economic conditions.

I do not believe, however, that we have resolved the constitutional problems with this measure. That is why the inclusion of a provision in this alternative proposal calling for quick judicial review is absolutely essential. And to prevent any unintended or skewed result in the overall working of this legislation, if any part is found unconstitutional, the whole measure must fall under the nonseverability clause contained in the alternative.

Mr. Speaker, I am inserting for the record a letter I wrote to the House confer-



ees setting forth in greater detail my concerns with the constitutionality of this proposal. I also wish to insert another letter, sent to Congressman SYNAR by the distinguished constitutional scholar, Lawrence H. Tribe, who is the Ralph S. Tyler, Jr., professor of constitutional law at Harvard Law School, which also discusses the doubtful constitutionality of this measure:

U.S. HOUSE OF REPRESENTATIVES,  
Washington, DC, October 16, 1985.

Hon. DAN ROSTENKOWSKI,

U.S. House of Representatives, Washington, DC.

DEAR DAN: Because of your appointment as a conferee on House Joint Resolution 372, Extension of the Public Debt Limit, I am writing to express my serious concerns regarding the constitutional issues raised by the Gramm-Rudman proposal set forth in this resolution. While only the courts can definitively interpret the Constitution, it is nevertheless our responsibility to examine these issues in considering this proposal.

The Gramm-Rudman proposal requires the President to cut statutory appropriations whenever the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) determine that the deficit in any of the covered years (1986-1991) exceeds the amount authorized by the proposal. The cuts ordered by the President would be made both to increases in automatic expenditures and to controllable expenditures, so that the target deficit figure would be met. The President's order would become effective 30 days after its issuance.

The power delegated to the President under this proposal is a lawmaking power, one that carries with it permanent legal consequences. As the Gramm-Rudman proposal itself states:

"Any automatic spending increases modified or suspended, or any amounts of budget authority, obligation limitation, other budgetary resources, or loan limitations sequestered by an order of the President under this Act are permanently cancelled, and the legal rights, if any, of persons to receive such automatic spending increases shall be deemed to be extinguished to the extent that the operation of laws providing for such increases are modified or suspended by such an order." (Italic added)

In the definition section of the proposal, the term "sequester" is defined as:

"[T]he permanent cancellation of budget authority, obligation limitations, other budgetary resources, or loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage." (Italic added)

Gramm-Rudman thus leaves no doubt, either in its operative provisions or in its definitions, as to the consequences of the President's actions—the President is required to permanently cancel outlays of authorized and appropriated amounts which were enacted into law in accordance with constitutional procedures. Gramm-Rudman does purport to limit the President's freedom of action in making such cancellations. For example, the President is instructed that his actions may not "have the effect of eliminating any program, project, or activity of the Federal Government." Gramm-Rudman further provides that the President is not given new authority under its terms to:

"alter the relative priorities in the Federal Budget that are established by law, and no person who is, or becomes, eligible for bene-

fits under any provision of law shall be denied eligibility by reason of this section."

However, none of these limitations alters the fundamental fact that the proposal confers on the President the power to cancel the amounts of authorized and appropriated funds, thus terminating legal rights established under constitutionally enacted legislation. To a substantial but indeterminate degree, the President and his Office of Management and Budget will be able to exercise interpretative discretion in determining exactly what aspects of programs are to be cut back, and to what degree. These are matters traditionally—and constitutionally—within the Congress' lawmaking power.

The provisions of the Constitution are explicit on the procedures necessary to enact legislation. These procedures require the involvement of both Houses of Congress and the President:

"All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives." Art. I, § 1.

"Every Bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a Law, be presented to the President of the United States; . . ." Art. I, § 7, cl. 2.

"Every Order Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except in a question of Adjournment) shall be presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, shall be repassed by two-thirds of the Senate and House of Representatives, according to the Rules and Limitations prescribed in the Case of a Bill." Art. I, § 7, cl. 3.

Attempts to deviate from this lawmaking process have been unequivocally struck down by the Supreme Court. The most recent example is *I.N.S. v. Chadha*, 462 U.S. 919 (1983), where the Supreme Court ruled that "legislative vetoes" are unconstitutional. In *Chadha*, the Court stated that legislation can be enacted only one way—through the steps required by the Constitution: bicameralism (action by both Houses) and presentment to the President (who may sign the proposal or whose refusal to sign may be overridden by Congress).

Thus, in *Chadha*, the Supreme Court ruled that Congress cannot undo a law by anything short of a new law, and that all laws must be adopted through the constitutionally mandated procedures quoted above. The Court stated in the strongest terms that delegations of authority could not be so crafted as to avoid this constitutional procedure, which had been carefully devised to preserve not only the rights of the people but also the separation (and balance of power) among the branches of government.

The Gramm-Rudman proposal seeks to circumvent these constitutional requirements, as did legislative veto, except that Gramm-Rudman attempts to do so by delegating unconstitutional powers to the President, rather than to one or both Houses of Congress. Though its language merely directs the President to issue an "order" requiring a reduction in expenditures—a mandatory duty based on the projected economic conclusions of two bureaucratic agencies—the effect of these so-called orders is to repeal duly enacted statutes. The proposal attempts to authorize the President to undo a law by something less than a law—and is thus unconstitutional.

While under the Constitution Congress can delegate the authority to implement laws, it cannot delegate the authority to repeal laws. This is precisely what the Gramm-Rudman proposal purports to do.

However, the issue involved here is far more than a technical question of the procedures required by the Constitution, as to some extent was the case with legislative veto. The spending (in this case, "non-spending") authority delegated by the Gramm-Rudman amendment goes to the core of the concept of separation of powers and is one specifically addressed in the Constitution:

"The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States; . . ." Constitution of the United States, Art. I, § 8, Clause 1.

"No money shall be drawn from the Treasury, but in consequence of appropriations made by law . . ." Article I, § 9, Clause 7.

The Framers of the Constitution were adamant that spending and taxing be in the hands of the legislative body which would make the decisions and set the priorities.<sup>1</sup>

This explicit assignment to Congress of spending authority was not made lightly. In fact, it reflected the framers' familiarity with the long and bitter battles of the English Parliament to win control over revenues and expenditures. It also reflected the framers' own experience in which spending and taxing decisions had been made for the colonies by the royal governors—the equivalent of the Executive Branch.

Congress can exercise this Constitutional authority, as any other lawmaking authority, only through enacting laws; and the enactment of laws requires bicameral consideration and presentment to the President. Any other method, however "convenient" and "efficient", is not constitutional.

As the Court stated in *Chadha*:

"The fact that a given law or procedure is efficient, convenient, and useful in facilitating functions of government, standing alone, will not save it if it is contrary to the Constitution. Convenience and efficiency are not the primary objectives—or the hallmarks—of democratic government. . . ." (462 U.S. at 944).

It is no idle concept that only through the power of the purse does Congress have any effective control of the Executive—as has been repeatedly demonstrated through our history, recently in the Nixon impoundment cases, and even more recently as Congress has prohibited or demanded the expenditure of authorized funds for various purposes. This power of the purse was given to Congress both so it could preserve its own prerogatives and so it could limit the otherwise potentially unlimited power of the President. It is troubling that Congress would so casually consider abdicating this power. (CBO's role under the provision does not alter the reality of this transfer of power in any way. In fact, there is the same constitutional defect in assigning lawmaking functions to this legislative branch agency.)

<sup>1</sup> In fact, The Constitution explicitly requires that tax bills originate in the House, that body closest to the people. "All Bills for raising Revenue shall originate in the House of Representatives; but the Senate may propose or concur with Amendments as on other Bills." Constitution of the United States, Art. I, § 7, Clause 1.

There are numerous policy reasons to question the wisdom of granting so much power to unelected officials at OMB and CBO, who would have a great deal of discretion in deciding whether the provisions of Gramm-Rudman would become effective, an event triggered by their joint budget estimates. Additional power is given to the President and OMB, an agency located within the Executive Office of the President, who would decide what is meant by a "relatively controllable" or an "automatic spending" increase, and thus, how programs are to be cut. However, the most basic reason to oppose the Gramm-Rudman provision in its current form is based solidly in the Constitution and its basic premise of separation of powers.

The Founders of this country intended that the Congress exercise its lawmaking authority to make spending and taxing decisions. The Founders no doubt knew the difficulty and discomfort that these decisions would produce. But these choices are among the more basic to be made by any government. It is for precisely this reason that these decisions were placed squarely in the Congress, which cannot constitutionally refuse to make them, however politically advantageous or expedient it may be to do so.

The Founders of this country intended, and required, that these decisions be made through a politically accountable process—through the enactment of a law under the procedures required by the Constitution.

In 1975, the Supreme Court stated, in *Buckley v. Valeo*, 424 U.S. 1, 124:

"[T]he principle of separation of powers was not simply an abstract generalization in the minds of the framers: it was woven into the document they drafted in Philadelphia in the summer of 1787."

Twenty-three years earlier, in 1952, the Supreme Court emphasized the role of the President as the executor of laws, not the maker of laws:

"In the framework of our Constitution, the President's power to see that the laws are faithfully executed refutes the idea that he is to be a lawmaker. The Constitution limits his functions in the lawmaking process to the recommending of laws he thinks wise and the vetoing of laws he thinks bad. And the Constitution is neither silent nor equivocal about who shall make laws which the President is to execute. *Youngstown Sheet and Tube v. Sawyer*, 343 U.S. 579, 587-89 (1952).

For many years prior to the Supreme Court decision that the legislative veto procedure was unconstitutional, I had opposed the procedure on the basis that it attempted to short cut the constitutionally mandated requirements for adoption or repeal of a law. I have the same concerns about the Gramm-Rudman approach, though these concerns are greater because Gramm-Rudman strikes at the core power of Congress: the power of the purse.

I urge that we not hide behind this procedural and constitutionally questionable proposal.

Sincerely,

PETER W. RODINO, JR.,  
Chairman.

HARVARD UNIVERSITY LAW SCHOOL,  
Cambridge, MA, October 22, 1985.

HON. MIKE SYNAR,  
U.S. House of Representatives, House Rayburn Office Building, Washington, DC.

DEAR CONGRESSMAN SYNAR: In accord with our conversation of Friday, October 18, I have examined the Gramm-Rudman deficit

reduction proposal (H.J. Res. 372) with an eye to its constitutional validity. My conclusion is that it has several serious infirmities that merit the closest attention.

To begin with, by requiring the White House to submit annual budgets that comply with a predetermined deficit reduction schedule, the proposal quite directly and obviously infringes the President's explicit constitutional power to draft and to recommend legislation "as he shall judge necessary and expedient." U.S. Const. Art. II, Sec. 3.

While thus denying the presidency a power specifically reserved to that office by the Constitution, Gramm-Rudman simultaneously appears to grant the executive branch a legislative power that is the province of Congress alone. The proposal requires the President to bring future federal budgets into line with the deficit reduction schedule by reducing or eliminating cost-of-living-allowances and similar automatic spending increases previously enacted in entitlement programs. The President must "suspend" such "automatic increases" and "sequester" certain appropriated funds; the bottom line of Gramm-Rudman is to bestow upon the executive the unilateral power to "extinguish[]" forever whatever "legal rights" any recipient had to the increased payments.

Although the Supreme Court has long held that an individual has no constitutional right to forestall legislative repeal of government benefits (see, e.g., *Flemming v. Nestor*, 363 U.S. 603, 611 (1960)), these statutory entitlements can be withdrawn only by Congress. For, as the Reagan Administration urged and the Burger Court held in its 1983 legislative veto decision, acts that have "the purpose and effect of altering the legal rights . . . of persons . . . outside the legislative branch" are inherently "legislative" in nature. *INS v. Chadha*, 462 U.S. 919, 952 (1983).

Those who drafted Gramm-Rudman are fully aware of the extent to which the bill transfers legislative power from Capitol Hill to the Oval Office. In seeking to compensate for this dubious delegation, the proposal's supporters have compounded its constitutional infirmities. The resolution provides that presidential fiscal policy is to fit within a framework defined by the revenue projections, deficit calculations and economic forecasts jointly produced by the Director of the Congressional Budget Office and the Director of the President's own Office of Management and Budget. Thus a legislative officer—the Director of the CBO—plays an important part in making the unavoidably discretionary decisions that suspend operation of the entire law during recessions, and that trigger presidential action to slash entitlements and impound funds so as to comply with the deficit ceilings.

Giving such executive duties to a legislative officer is almost certainly unconstitutional. The Supreme Court unanimously ruled nearly a decade ago that, although Congress may designate its own agents to assist in the investigative tasks that support the lawmaking function, no-one who exercises power as an officer of the United States may be appointed by the legislative branch. *Buckley v. Valeo*, 424 U.S. 1 (1976) (per curiam). For the Court, the Constitution's Appointments Clause is no mere matter of "etiquette or protocol," but a vital structural check upon the power of Congress. *Id.* at 125.

Every lawmaker's oath to uphold the Constitution imposes a duty to consider the con-

stitutionality of Gramm-Rudman before voting on it. See U.S. Const., Art. VI. But taking this obligation seriously does not entitle Congress to hide behind the hope that the courts might either avoid the issue, or, at the other extreme, might take upon themselves the heat for restructuring Congress's solution in a constitutional way. Thus Congress cannot responsibly enact Gramm-Rudman without expressly providing for an immediate judicial test of the bill's validity, through a civil suit brought by affected Members of Congress, and without directing the courts to strike the measure down in its entirety—rather than attempting to sever its void portions and save or recast the rest—if the CBO provision, or any other key part of the bill, is held invalid.

Yours truly,

LAURENCE H. TRIBE,  
Tyler Professor of Constitutional Law.

Mr. BUSTAMANTE. Mr. Speaker, today is All Saints Day. And on this special day, we will take action on that sacred beast call the Gramm-Rudman amendment.

We must remember that it is an "amendment," passed through the Senate without any hearings. It is the height of irresponsibility to consider such a drastic deficit reduction measure without the benefit of hearings and without some indication of its overall economic impact. I don't believe there is any Member of Congress who can even specify what percentage of the budget will be subject to these cuts.

I continue to be concerned about the human aspect of the reductions proposed in Gramm-Rudman. The Democratic alternative attempts to achieve parity on spending cuts among all programs but takes into consideration the special circumstances of the less fortunate in our society. Gramm-Rudman ignores those needs. At the same time, the Democratic alternative is a flexible mechanism which allows for greater reductions in the best of economic times and adjusted deficit targets in the worst of times.

The Democratic alternative initiates the deficit reduction now—this fiscal year. It does not postpone the process to see the election day returns.

Deficit reduction is an issue of national concern. That we all agree on. Members on other side of the aisle have asked us to show some political courage. Well, I ask them to show some courage by making the cuts now. Let us all demonstrate our collective will by beginning the deficit reduction process this year—not a year from now or 2 years from now when we "saints" are all safely in our seats.

Mr. RANGEL. Mr. Speaker, the U.S. Congress has always prided itself on approaching every issue brought before it in a thorough and comprehensive manner. Our rules of debate assure us that the American people's interests receive full consideration.

Keeping this in mind, it is evident that the Reagan administration would like to push through the Gramm-Rudman deficit reduction package without a thorough debate in Congress. This is obvious when one realizes that the bill was rammed through the other body with little or no in-



depth scrutiny. The President was given sweeping powers to cut funding for social programs without the advice and consent of Congress. In effect, the executive branch was given the power of the purse.

It has been left up to the House of Representatives to look at what Gramm-Rudman actually means. We have the duty to look at each provision to see how the poor are affected, how much of the pie Defense contractors will get, and what kind of tax loopholes will be available to the rich. We have, Mr. Speaker, a duty to tell the American people how serious this bill really is.

I hope my colleagues will be courageous enough to stand up to the administration, and to seriously question Gramm-Rudman. I would like to submit the following article for inclusion in the CONGRESSIONAL RECORD.

The article follows:

[From the Washington Post, Oct. 13, 1985]

#### SAVE US FROM THE SENATE'S STAMPEDE

(By Haynes Johnson)

One day, in the year before his death, Hubert H. Humphrey escorted me into his small, private Senate hideaway in the Capitol, closed the door and began a tape-recorded conversation that lasted several hours. The purpose was not social; I was gathering material for a book about the politics of Washington and the workings of government during the Carter years, and the former vice president was a prime source of information.

He was, of course, a great student—and practitioner—of government. When I asked what had been the greatest change since he came to the Congress, he instantly replied: "Up until the time of Woodrow Wilson, with the exception of Teddy Roosevelt, we had congressional government. Congress was the predominating influence. That changed. The president became the predominating influence. Now Congress has asserted itself again. I can't overemphasize the importance of this. Congress is no longer afraid of the executive—particularly when you look at things like the budget. I've heard dozens of people up here say, 'Well, I know that Carter's got that in his budget, but what's our budget say?'"

"And I'll tell you something I hear people say now that you never heard before: 'I've seen them come and go, and I'm still here.' They're talking about presidents, you know. I've run through seven of them myself."

With that 1977 conversation in mind, I keep wondering how Humphrey would have reacted to the shameful political charade played out last week in Washington, by the very body of legislators that he so loved, the Senate. No one can know for sure, but my bet is he would have been saddened—and outraged.

The overwhelming vote by the Senate to require a balanced budget by 1991 is more than abdication of responsibility and a sign of political failure on its part. It is a blank check for the president, signaling a dramatic reversal in the shift of powers back to the presidency from the Congress, a shift in the opposite direction from that hailed by Humphrey.

It's also a riveting example of the failure—abject capitulation is a better term—of the Democratic Party to offer a reasoned, responsible political alternative to the Reagan presidency and its tilted budget priorities that to a large extent got us into the

present deficit debacle. They allowed themselves to be stampeded, and they ran.

As Sen. Bill Bradley (D-NJ), one of the most thoughtful of the Democrats, put it last week in an article in *The Washington Post*, "this legislation shows Congress at its worst." I believe Bradley's words, written on the eve of the vote, will stand out admirably after all the ducking and political posturing of last week have been forgotten.

"Instead of once again grappling on a bipartisan basis with the tough decisions, particularly on taxes," he said, "Congress appears poised in a moment of irrationality and timidity to give Ronald Reagan the sole power to reorder the priorities of the national government. It will be an action that we will all live to regret."

Behind this action lies a more significant political development: the ratification, if you will, of the Senate's willingness to place its powers and authority in the hands of the president because it lacks the will to act. By this action, Reagan has won. Much of the political history of relations between Congress and president that people such as Humphrey cited as important will have to be rewritten. It's quite recent history, too.

During the Vietnam-Watergate years, concern centered on the "imperial presidency" and the growing accumulation of power in the hands of the chief executive. Fears were expressed that a supine, deferential Congress was becoming a rubber stamp for the White House. But those also were the years in which Congress fought—and won—a battle to regain its lost powers.

The fight took two forms. In both foreign and domestic affairs Congress fought to limit the power of the president to act without its consent. In foreign affairs, congressional enactment of a War Powers Resolution in 1973 directly checked the president's power to act alone in involving the United States in armed conflicts. It was the result of congressional determination to avoid further Vietnams. In domestic affairs, the establishment in 1974 of Congress's own budget office gave the legislators greater power over the purse. Until then, Congress had been a hostage of executive departmental proposals that shaped the federal budget. Through its own budget office, gathering its own information, Congress sought and did regain much of its authority over the dispensing of federal funds.

As House Speaker Thomas P. (Tip) O'Neill (D-Mass.) expressed the importance of that shift to me, during an interview several years ago in which he passionately pounded on his desk to make even stronger his point:

The change in Congress had come. We had recaptured our powers to the extent that we were almost an equal voice. The press didn't read it. Jimmy Carter didn't read it. They didn't appreciate the power and the strength of the Congress of the United States. Jimmy Carter thought he was going to be another president with the powers of a Nixon or a Kennedy or a Johnson, and he didn't have 'em when he arrived here."

It is now left to O'Neill and other members of the House to save the Senate and the country from the damage that threatens to be done.

Mr. ROYBAL. Mr. Speaker, as chairman of the House Select Committee on Aging, I want to rise to express my strong support for this measure to prevent any further disinvestment of the Social Security Trust Funds.

Already, the Treasury Department has made its first invasion into the trust funds and broken the trust placed by 30 million elderly. Now is the time to put a stop to this invasion and to show America's elderly that the Social Security Trust Fund is sacred.

Further, this measure would give the Senate sufficient opportunity to properly consider the House's more reasonable and considered approach to balancing the Federal budget.

Mr. GROTEBERG. Mr. Speaker, it's time for this body to ask itself a very simple, but critical question: Is it our intent to buckle down and adopt a real plan to reduce the Federal deficit, or are we going to continue to play games, hold up mirrors, blow smoke and then announce to the world that lo and behold we have solved the most crucial problem facing this country?

The latter, Mr. Speaker, could just as easily be summed up in three words: The Rostenkowski amendment.

Where I come from we put up buildings with labor, steel and concrete. We don't line up engineers and laborers only to have them sit around waiting for building materials that never come.

The Rostenkowski amendment strips away the basic building materials we need to eliminate the Federal deficit. It exempts another \$93 billion in programs from the sequestering process, requiring heavier cutbacks in other programs such as Amtrak, student loans, overseas private investment corporation, Export-Import Bank, agriculture credit insurance, rural electrification administration loans, veteran loan guarantees, Small Business Administration Programs, Synfuels, maritime subsidies, health professions training, farm price supports and soil conservation.

We can't from one side of our mouths say we are making a meaningful attempt to cut the deficit, and then out of the other side say we are exempting more than 50 percent of the budget from the deficit-cutting effort.

That's what the Rostenkowski amendment does. It exempts itself right out of its very purpose, reducing the Federal deficit.

Further, Mr. Speaker, it is by design set up to fail by establishing a completely unrealistic deficit goal of \$161 billion in fiscal 1986, which does nothing more than set the table for substantial tax increases, or, for entirely abandoning the deficit cutting process within the next year.

The kicker is that we all know this amendment is going to be rejected by the other Chamber and the White House, which will leave us in a crisis situation requiring an additional, temporary extension of the debt ceiling or the disinvestment of Social Security.

The Rostenkowski amendment is painted on a backdrop of holding this country's elderly population hostage and I for one am not willing to sit back and have Social Security tampered with for the purpose of advancing a deficit-cutting proposal that on its face is designed to fail.

As I said, Mr. Speaker, the Rostenkowski amendment is held up by smoke and mirrors. Maybe when the smoke clears the majority party can look into the mirror and ask itself whether it wants to play politics and raise taxes, or whether it wants to construct a realistic program to finally reduce the bloated Federal deficit.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. DUNCAN] has 4½ minutes remaining and the gentleman from Illinois [Mr. ROSTENKOWSKI] has 2 minutes remaining.

The Chair recognizes the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I yield the remaining time to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I would like to remind my colleagues first of all that Gramm-Rudman-Hollings-Mack proposal is a bipartisan proposal that passed the Senate by a vote of 75 to 24, and it included some votes for it from HOLLINGS in the Democratic Party to KENNEDY. We need to remember that.

When this whole matter started out here in the House on October 11, our distinguished minority leader, the gentleman from Illinois [Mr. MICHEL] did not come down here and say "Take it whole hog or else." He said go to conference and see if we can work together on this thing and come back with a package that answers some of our questions, and, if we can't do it in a bipartisan way here in the House.

So we went to the conference, and it started off, I thought pretty well; in my task force we were working in a bipartisan way; we were making some progress. We worked with the gentleman from California [Mr. BEILSON], we worked with the gentleman from Texas [Mr. FROST]. In my task force, I will guarantee you, we made a lot of progress, and we were about 95 percent together.

I think some of the other task forces were making progress, but then something happened. The earth moved. Everything shifted, and it became evident we could not get a bipartisan agreement. It collapsed.

I hesitate to call this the Rostenkowski package; I know that he probably is not even comfortable with it. I do not know what to call it, but I know this: Our effort to find a bipartisan agreement fell apart over the last 2 to 3 days.

I think maybe that the first vote we had today tells the truth of the whole matter. Take a look at it: A majority of the Democrats, 131 to 116, in voting the way they did on the motion to recede, said they were for no package.

The truth of the matter is the majority on this side really wants this whole issue to just go away and "Let's forget about it. We don't want another process that will try to make us live within our means." That is the truth

of what is involved here, and there is the vote.

Now this program does begin in 1986, to the tune of 171.9. All we are saying is, let us live within our means of what we have already agreed to do. That is all we are asking. We are not going to do that.

The experts on budget will tell you we are going to be \$20 or \$30 billion above that. That is part of the problem with this whole effort here today, the package we are considering is a package for no process. No process.

The mechanisms that are included here are not intended to work. No. 1, it is set up whereby we take out OMB, realizing there will be a constitutional challenge on just CBO being involved, and if that is stricken out because of the nonseverability clause, the whole process goes down.

So the hope is, we will destroy the whole process under this package because of the constitutional question. I think a lot of people would have to admit that. Also, it is front-end loaded. The idea is, let us go so deep in this first year that there is no chance of doing it, and we will chunk this whole thing within the next 6 or 7 months.

So it is set up not to work. We have this list of exemptions, I guess. As far as knowing what is in your package, there is our package; where is yours? I asked last night that the gentleman from Illinois [Mr. ROSTENKOWSKI] let us at least see it.

We have not seen it. Come on, now. You were moving your package right up until the last minute; here is your little list of exemptions.

Let me give just a few examples of what programs are not in the exemptions: Head Start. Now, the gentleman from New York [Mr. RANGEL] would want Head Start to be exempted, I think. What about cancer research? we do not exempt cancer research. Housing? Agriculture, defense, education, trade adjustment assistance—I mean, where does it stop?

Yes, I have my programs I would like to have exempted. You have your programs. We could get together and we would exempt defense, we would exempt agriculture, we would exempt veterans, we would exempt everything—we are right back in the same dang pot we have been in. We cannot exempt anything.

That is the high moral ground. The gentleman from Texas [Mr. LEATH] is right; we should not exempt anything, but remember this: We are not voting to cut one program, we are not voting here to cut one single program. We are just voting to set up a process, to try to make us move toward a deficit reduction plan. That is all we are asking.

If we have the courage to cast the tough vote, if we will agree on our priorities, if we will do the job, the trigger will never kick in; and in the other

package here, the trigger, it is fallacious; it would never be pulled.

We have got to have a trigger, and it has got to be so bad that we will do our job rather than have our head blown off by this trigger.

□ 1350

That is exactly what we are trying to do. I am serious. I know a lot of others on both sides of the aisle are serious. I believe we will come up with something eventually. But just think about where we are right now. If we pass this package, what is going to happen? It is going to go over to the Senate, and, by a bipartisan vote, they are going to say, "No, thanks." They are going to put our package, which they can accept, on it and send it back, and then we will have nothing, and Social Security will be disinvested, and our package is the same as yours on Social Security.

Let us vote against this package, and vote for the one that will get the job done.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. LUNDINE].

Mr. LUNDINE. Mr. Speaker, I rise in support of the Rostenkowski alternative.

I strongly believe in fiscal responsibility and discipline. In fact, during the Carter years, I voted against more than half of the budget resolutions because they did not go far enough to reduce the deficit—deficits as low as \$29 billion. Five years later, we have more than doubled the size of the national debt, adding \$211.9 billion in fiscal year 1985 alone.

These megadeficits are totally irresponsible and unsustainable. The budget deficit is driving up the value of the dollar as we borrow more and more foreign capital to finance our debt. We are losing jobs and mortgaging the future of our children so that we may enjoy tax cuts and a booming consumer economy today.

Normally, I vote for debt ceiling legislation as a matter of course, treating it as a housekeeping measure. It has always seemed clear to me that it is irresponsible not to vote to pay for debt resulting from decisions and commitments already made. Nevertheless, given the fiscal catastrophe facing us, the idea of linking a plan to bring the budget into balance to debt ceiling legislation has some validity and I am prepared to support this concept.

I think we can bring the budget into balance in 5 years. Having definite goals for accomplishing this is necessary and I support the enactment of an automatic mechanism which will cut spending if the Congress and the President remain stalemated and are unable to agree under the regular budget process.

However, on the points of difference between the House and Senate on the provisions of this mechanism, it strikes me that the other body is being stubborn and un-



compromising. They have refused to take separate votes on issues that divide us in order to protect their members from accountability. The have failed to yield on at least five points of extreme importance.

First, the other body's provisions shield their members from making any of the tough choices until after the 1986 election. Surely, if continuing megadeficits are an urgent priority, one for which we risk closing down the Federal Government, then it is equally urgent that the process begin now—not after the 1986 election. I believe we should at least set a target equal to that agreed to in the fiscal year 1986 budget resolution and I am prepared to go \$10 billion below that level beginning this year.

Second, the question of what program should be exempt from automatic spending cuts remains unresolved. One might question why any program why any program should be exempt. However, if they are, it is clear to me that those expenditures for programs that go to help the very poorest people—about 5 percent of the budget—must be on this exempt list in addition to Social Security.

Third, the other body is arguing that larger portions of the defense budget be shielded from automatic spending cuts, while a larger portion of the Medicare Program be put on the table. This argument reflects an indefensible set of priorities in my view.

Fourth, the current provisions jeopardize our ability to fight a recession. Enacting a mechanism which would require deficit targets and automatic spending cuts in time of recession is irresponsible economic policy. Tying the hand of Government during a recession would not only prolong the economic misery, but would put the very possibility of recovery in question. The mechanism we adopt must permit flexibility to allow greater cuts in times when the economy is healthy and less drastic austerity when it is not.

Finally, the question of who makes the determination of whether we are meeting the goals—the Congressional Budget Office [CBO] or the Office of Management and Budget [OMB]—must be resolved. While this is not a matter of great importance to me, it does seem to me that over the years CBO has acted on a nonpartisan basis and has proven quite accurate in their projections. On the other hand, OMB, during both the Carter and Reagan administrations, has been blatantly political. In my view, the trigger should be set objectively not by an agency serving one of the parties in the dispute. For these reasons, I support the House positions on these questions.

We are in a time of real emergency in our fiscal affairs. During such times, it is generally necessary to put aside partisan interests. However, I am tired of hearing Congress being blamed time and time again. President Reagan has failed to provide the strong leadership necessary to steer a responsible fiscal course. Instead, the passage of his sweeping tax cuts and unprecedented increases in spending for the military have brought us to this point. The President has yet to submit a balanced

budget for our consideration. At the same time, 32 out of 35 appropriations bills passed by Congress have come in under his recommended spending level.

I am not suggesting that Congress is blameless. It is time for all parties to stop the stubborn insistence on their own priorities. In this regard, I have been willing in the past to show where cuts can be made in programs like rural housing that are of great importance to me and to my district. Every part of the budget must be scrutinized if we are to reach the goal of a balanced budget.

My greatest fear is that in the polarization of interests between the advocates of defense and the defenders of the poor, programs that assure a better future for our Nation and a rising standard of living for our children will be sacrificed. Our support for education, for science and technology, and for economic development must be continued. Support for these programs is an investment in our future and the future of our children.

We must not underestimate the challenge before us. Reducing the deficit will require difficult and painful choices. However, failure to make the decisions today, will undermine the Nation's health and wellbeing for years to come. We must not delay action on the deficit any longer.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DE LA GARZA], the chairman of the Committee on Agriculture.

Mr. DE LA GARZA. Mr. Speaker, I rise in support of this amendment.

Mr. Speaker, for all my colleagues to have an opportunity to study for any further action on this legislation as it relates to agriculture. I submit the following as a possible revision of the portion of H.J. Res. 372 (section 3(q) relating to the Commodity Credit Corporation:

In summary, the proposed revision of subsection (q) will—

(1) incorporate the three provisions of the Senate amendment that—

(a) make all Commodity Credit Corporation (CCC) contracts that apply to a particular crop of a commodity subject to the same terms and conditions;

(b) clarify that noncontract support programs of the CCC are subject to reductions; and

(c) ensure that reductions among CCC programs use an equal percentage rate of reduction.

(The proposed revision does not include the clause in the Senate amendment providing that each CCC contract to which subsection (q) applies must explicitly provide for a reduction for the entire contractual period. This clause appears to be surplus language, and, if included, could have a perhaps unintended adverse effect on multiyear CCC contracts, such as those involved in multiyear set-asides and multiyear milk diversion agreements.)

(2) add a new provision that incorporates the Boren legislative history, to permit reductions in outlays under CCC programs to be achieved in the fiscal year following a fiscal year to which a sequestration order applies;

(3) in connection with the new provision described in item (2) above, provide no other account or program will have to bear an increased reduction for the fiscal year to which an order applies as a result of the operation of a delay in achieving outlay reductions in a particular CCC program;

(4) add new provisions that provide guidelines for the implementation of reductions in CCC price support and income protection programs, designed to ensure that such reductions are made in a way so as to minimize any distortions in agricultural production and marketing practices;

(5) add a new provision that clarifies that agricultural commodity programs that are subject to a reduction under a sequestration order for a fiscal year as a "controllable expenditure", will not be subject, as well, to modification or suspension under such order as an "automatic spending increase"; and

(6) add new provisions to protect the powers and authority of the CCC from unintended restrictions under a sequestration order, including clarification that any sequestration order would not affect CCC's borrowing power nor limit or reduce any supplemental appropriation that provides the CCC with budget authority to cover net realized losses.

The wording of the revision would read as follows:

(q) COMMODITY CREDIT CORPORATION.—

(1) REDUCTION IN PAYMENTS MADE UNDER CONTRACTS.—

(A) Subject to subparagraph (B), after an order is issued under section 252 for a fiscal year, any payments made by the Commodity Credit Corporation—

(i) under the terms of any contract entered into in such fiscal year and after the issuance of the order; and

(ii) out of an entitlement account, to any person (including any producer, lender or guarantor entity) shall be deemed to be a controllable expenditure and shall be subject to reduction under the order.

(B) Each contract of the type described in subparagraph (A) entered into with producers or producer cooperatives with respect to a particular crop of a commodity shall be subject to the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of an order, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for the next succeeding crop of the commodity, under the authority provided in paragraph (2).

(2) DELAYED REDUCTION IN OUTLAYS PERMISSIBLE.—Notwithstanding any other provision of this Act, if a sequestration order is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (1) may provide for reductions in outlays for the account involved to occur in the fiscal year following the fiscal year to which the order applies. However, no other account, nor other program, project, or activity, shall bear an increased reduction for the fiscal year to which the order applies as a result of the operation of the preceding sentence.

(3) REDUCTION IN NONCONTRACTUAL PRICE SUPPORT PROGRAMS.—Price support provided for an agricultural commodity through the Commodity Credit Corporation by a method other than a payment of the type described in paragraph (1) shall be deemed to be a controllable expenditure, and with respect to a fiscal year for which an order is issued

under section 252, such price support shall be subject to reduction under the order.

(4) **UNIFORM PERCENTAGE RATE OF REDUCTION AND OTHER LIMITATIONS.**—All reductions described in paragraphs (1) and (3) required to be made in connection with an order issued under section 252 with respect to a fiscal year—

(A) shall be made so as to ensure that outlays for each account, or program, project, or activity, involved are reduced by a percentage rate that is uniform for all such accounts, programs, projects, and activities, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order; and

(B) with respect to commodity price support and income protection programs, shall be made in a manner and under such procedures that ensure that—

(i) uncertainty as to the scope of benefits under any such program is minimized;

(ii) any instability in market prices for agricultural commodities resulting from the reduction is minimized; and

(iii) normal production and marketing relationships among agricultural commodities are not distorted.

In meeting the criterion set out in clause (iii) of subparagraph (B) of the preceding sentence, the President shall take into consideration that reductions under an order may apply to programs for two or more agricultural commodities that use the same type of production or marketing resources or that are alternative commodities among which a producer could choose in making annual production decisions.

(5) **NO DOUBLE REDUCTION.**—No agricultural price support or income protection program that is subject to reduction under a sequester order for a fiscal year as a controllable expenditure under this subsection may be subject, as well, to modification or suspension under such order as an automatic spending increase.

(6) **POWERS AND AUTHORITIES OF THE COMMODITY CREDIT CORPORATION.**—Nothing in this Act shall restrict the use by the Commodity Credit Corporation of its authorities, and the discharge by the Corporation of its responsibilities, in achieving the purposes for which the Corporation was created, including—

(A) its authority and responsibility to buy and sell commodities in world trade;

(B) its borrowing authority;

(C) its authority and responsibility to use the proceeds of transactions as a revolving fund to meet its obligations; or

(D) its authorities and responsibilities otherwise to operate as a corporation.

Further, nothing in this Act shall limit or reduce, in any way, any appropriation Act that provides the Commodity Credit Corporation with budget authority to cover the Corporation's net realized losses.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. BOLAND].

Mr. BOLAND. Mr. Speaker, I rise in support of the Rostenkowski amendment.

I believe that the vote we will soon take on the Gramm-Rudman proposal will be a watershed event in the history of this institution and Nation.

We are about to fundamentally alter the way in which spending decisions are made in the Federal Government, and in so doing

we embark on a cruise into uncharted and dangerous waters. Gramm-Rudman, in some form, is coming, and the relationship between the executive and legislative branches will never be the same.

I served on the conference committee on Gramm-Rudman. I wish every Member of this House could have had that experience. I think that is the only way to begin to understand the radical departure we are being asked to make. In the roughly 2½ weeks the conference lasted, we subjected Gramm-Rudman to its first hearings—a reversal of the normal legislative process that tells you a lot about the form in which this proposal was received. Those sessions clearly demonstrated that precise drafting was not the hallmark of Gramm-Rudman. Quite simply, no one knew how it was supposed to work. The hours that House conferees subsequently spent in task forces trying to make sense out of Gramm-Rudman revealed that the questions raised by a close examination of this proposal were of mind-numbing complexity. These questions, some constitutional, some procedural, and some mechanical, are not matters to be resolved in 3 weeks. But that was our mandate, because of the absolute necessity that the debt ceiling be raised, and the unwillingness of Gramm-Rudman's proponents to consider doing it in any other way.

Your conferees were instructed by this body to bring back to the House a system by which deficits would be reduced automatically. Many of us have serious reservations about the wisdom of substituting an automatic pilot for independent judgment on spending priorities and decisions, and yet that substitution is the foundation of Gramm-Rudman. The Democratic proposal we offer today takes the automatic pilot feature of Gramm-Rudman and modifies it to do four things:

First, take effect this year, so that the American people can judge for themselves whether program decimation is the only way they want the deficit to be reduced;

Second, insure that the constitutional issues raised by Gramm-Rudman's sequestration system can receive expeditious judicial consideration with the knowledge that if an element of it were found unconstitutional, the whole process would be invalidated;

Third, guarantee that the Congressional Budget Office would be responsible for the reparation of the economic estimates and reports used to measure our compliance with the deficit targets, thereby retaining some meaningful role for Congress in the sequestration triggering process; and

Fourth, exempt some programs which serve exclusively low-income people from sequestration. The simple fact is, that those programs have borne the brunt of the deficit reduction efforts of the last 4 years. They will undoubtedly bear the brunt of similar congressionally-initiated budget control efforts in the future. To hold them open to sequestration on top of that, ignores the fact that these programs provide basic services to people who have no alternatives. I make no apologies about wanting

to exempt food stamps and AFDC, SSI, Child Nutrition and similar programs from sequestration. I thought they comprised the safety net our president used to so warmly embrace, and so movingly promise to maintain. We can not preserve all of the safety net today. But let it be clearly understood that whatever is preserved is the result of the actions of Democrats, and not the advocates of Gramm-Rudman.

Those four elements, it seems to me are the minimum necessary to inject some degree of rationality into the Gramm-Rudman process.

Mr. Speaker, in my opinion the adoption of the Gramm-Rudman concept will be an action this Congress will come to deeply regret. I know we are going to get Gramm-Rudman in some form. Under those circumstances, I am going to vote for the Rostenkowski alternative. Of the two, it better protects the interests of this institution and the interests of the majority of those we represent. I only hope that the advent of the Gramm-Rudman automatic pilot system for making spending decisions will hasten the day when all of us; Congress, the President, and the American people, will take a more honest view of the causes of our deficit problems, and what needs to be done to solve them.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. DINGELL], chairman of the Committee on Energy and Commerce.

Mr. DINGELL. Mr. Speaker, I rise today in support of the Rostenkowski proposal and in opposition to the Gramm-Rudman proposal, whether it is the version as passed by the other body or that version refined by the White House and our colleagues on the other side of the aisle.

Whatever the form, Gramm-Rudman is the most extensive giveaway of congressional authority in American history. We, as Members of Congress, should remember that if we are to retain the power to legislate we cannot allow this power to be diluted. James Madison, in Federalist 58, stated that the power of the purse represents "the most complete and effectual weapon with which any Constitution can arm the immediate representatives of the people." Make no mistake about it, Gramm-Rudman would dilute the Congress' power over the purse.

Not only is Gramm-Rudman flawed constitutionally, the basic premise is irrational in other ways. Gramm-Rudman ignores 20th century economic reality. We have spent the past 50 years in this country trying to build mechanisms into our Government that will stabilize the economy in times of crises. Our people have endured painful experience in order for our Government to learn the difficult lessons of economic stabilizations. Gramm-Rudman throws all of this out of the window.

Gramm-Rudman has no realistic provision to deal with recessions, regardless of the fact that they may or may not have been predicted. Gramm-Rudman could ac-



tually trigger a recession or push a mild recession into a deeper recession.

Gramm-Rudman also promotes Government inefficiency. Because of its mechanistic approach, it is difficult to achieve savings without irrational results. Gramm-Rudman requires across-the-board reductions which means that the more one cuts, the more expensive Government becomes on a per unit procurement basis. Because no one program can be totally eliminated, reduced resources must be stretched to cover all existing programs, ensuring that no service is performed at a very satisfactory level. In addition, some programs will be cut to the point that they no longer perform the function for which they were designed. But these programs will continue to siphon off much needed funding from programs that could remain viable.

The list of winners under Gramm-Rudman is very short. The list of losers is very long. That list of losers includes practically every segment of American society. It means that kids who need immunizations will not get them. It means that poor women who need prenatal care will not get it. It means that the farm crisis will only get worse. It means, in short, that Government no longer really protects those who are unable to protect themselves. It also means we are going to have less money to inspect nuclear powerplants, to provide air traffic controller services, to provide testing by the Food and Drug Administration, to maintain highway safety, to operate the Coast Guard and for a multitude of other services to which most of us in this country have become accustomed.

Gramm-Rudman could result in arbitrary and destructive cuts in vital defense programs. While the purchase of many large weapon systems may be protected by multiyear contracts, funding for operations and maintenance could be severely impacted. This could result in lessened battle readiness for our troops.

Gramm-Rudman also means arbitrary and destructive cuts in programs for the aged, for the young, for the sick, and for those less fortunate in our society. The Democratic alternative would protect food stamps, supplemental security income [SSI], aid to families with dependent children [AFDC], child nutrition programs, the Women, Infants, and Children [WIC] Program, and the Commodity Supplemental Food Program.

Gramm-Rudman would make arbitrary and destructive cuts in programs that ensure the health of all our citizens. The Democratic alternative would protect National Institutes of Health funded research into cancer, AIDS, heart disease, strokes and other great killers, and community health centers, as well as health programs for migrant workers.

Gramm-Rudman would cut COLA's for veterans. The Democratic alternative would protect veterans' pensions.

Gramm-Rudman would destroy the legislative process as we have known it for the past 40 years. It adds a fourth layer to an already crowded budget cycle. Not only would the legislative committees authorize,

the Appropriations Committees appropriate, and the Budget Committees prepare budget resolutions during the first 9 months of the year, but the Congress would be required to redo the whole thing in an omnibus reconciliation bill at the end of the year.

Congress, of course, could allow a Presidential sequestration order to stand rather than try to challenge it, as it is unlikely that a measure varying greatly from the Presidential order will be signed. A Presidential veto then becomes even more powerful because any President supported by one-third plus one Member of either body could control the budget. Gramm-Rudman could not be repealed even though a majority of both Houses thought it was disastrous, unless the President agreed or both Houses could get two-thirds to override his veto.

Gramm-Rudman is a disaster for the legislative process. It severely distorts the check and balance system in our Constitution. It would make Government less efficient and it could lead to a recession.

The Democratic alternative, perhaps, is not a perfect vehicle, but it would protect many of those in our country who are not able to protect themselves. It attempts to deal with the complexities of our economy. It reserves to Congress better control over the legislative process. It would allow an expedited review of all the constitutional issues. And, while not perfect, this Democratic alternative deserves our support and I would urge you to vote for it.

Gramm-Rudman is not the answer to the deficit problem we face in America today. It is a political gimmick. It should be defeated.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. ANDREWS].

Mr. ANDREWS. Mr. Speaker, I rise in favor of the Rostenkowski amendment.

Today we face a difficult but necessary decision on the future of our country. We must decide how we will cut the crippling Federal budget deficits that threaten the future security of our Nation. Beyond the rhetoric, beyond all personal interests, beyond the recriminations and fingerpointing, we need to resolve this crisis. In 4 years, the annual deficit has grown from \$59 billion to \$220 billion and we are faced with a national debt of over \$2 trillion. This is a debt that has doubled in only four short years.

These deficits present us with many problems, the worst being their invisibility. You cannot point to a deficit; you can, however, show how it hurts all Americans. These deficits raise interest rates, making it hard for our economy to grow and for our people to export the products of their labor. That translates into Americans out of work and families short of the necessities of life. A young family cannot afford to buy a home, a blue collar worker loses his job and a senior citizen sees his savings erode. These deficits raise our national debt which mortgages the future of our

children and grandchildren. These symptoms of the Federal deficit are cruel and insidious. But we cannot attack the symptoms; we must cure the disease. We must balance the Federal budget and bring these deficits down.

This budget crisis has been my number one priority since my election, as it has been for other members of Congress who know the deficit's effects on jobs, trade, interest rates and the economy as a whole. Last fall, I cosponsored a balanced budget plan that would have required the President and the Congress to submit a balanced budget before the start of the next fiscal year. That plan did not pass, as we all know. Now we must decide again. We have before us two tools to cut the budget. Let us choose wisely.

Last week I voted to send House conferees to the House-Senate conference to work out a bipartisan balanced budget plan we can all support. I strongly support the concept of a strictly timed, strictly enforceable mandatory program of deficit reduction which holds Congress to deficit targets every year until the budget is balanced. We have gone too long talking about deficit reduction without acting. Only bipartisan action, only tough, hard decisions about specific cuts in specific programs are going to get us to a balanced budget. The Gramm-Rudman approach promises to make the tough decisions easier and thus deficit reduction more likely.

The Rostenkowski alternative to the Gramm-Rudman plan before us today is not perfect. There can be no perfect, or comfortable, way to do what we are trying to do here today. But the Rostenkowski alternative considerably improves Gramm-Rudman, addressing some important shortcomings that have come to light over the past several weeks. If the other body rejects this alternative, let us hope it will act in a bipartisan way to contribute to a sound, responsible resolution of this debate.

No. 1: The Rostenkowski alternative would begin the process of deficit reduction now instead of next year by requiring Congress to cut the deficit to \$161 billion in fiscal year 1986. Gramm-Rudman sets a target of \$180 billion for this fiscal year a figure which requires no more cuts than Congress has already made this year. There is absolutely no reason to wait, especially now at a time when our economy can absorb these levels of cuts. Further, if our economic projections for fiscal year 1987 turn out to be too optimistic, we will be faced with very severe cuts next year that will be very painful.

No. 2: The Rostenkowski alternative provides flexibility in the deficit reduction targets in the event of an economic downturn. Our objective here is to preserve the long-term economic health of our Nation. To ignore the devastating effects of deep budget cuts during recessionary periods would be to ignore the objective of our budget-cutting efforts.

No. 3: The Rostenkowski alternative provides specified and detailed guidelines to the President in his administration of

spending cuts in the event of a sequestration order. Gramm-Rudman allows the President an unprecedented amount of latitude to pick and choose the cuts he wants to make.

No. 4: The Rostenkowski alternative would ensure that the nonpartisan Congressional Budget Office is the institution, not the executive branch's Office of Management and Budget, which issues the critical report projecting economic growth for the coming fiscal year, projected levels of spending, revenues and deficits as a result of congressional action.

No. 5: The Rostenkowski alternative provides for expedited judicial review of constitutional questions regarding the automatic deficit reduction process. I believe that review is absolutely critical. We cannot, even in the name of deficit reduction, run roughshod over the Constitution.

Mr. Speaker, I am gratified to see the House voting on this piece of legislation today. I urge my colleagues to support the Rostenkowski alternative to Gramm-Rudman.

Mr. STOKES. Mr. Speaker, I reluctantly rise to vote in favor of the Rostenkowski plan, the Democratic alternative to the Gramm-Rudman Balanced Budget and Emergency Deficit Control Act amendment to House Joint Resolution 372, the debt limit increase. Although I am not pleased with either the Democratic alternative or the Gramm-Rudman legislation, I support the Democratic measure as the lesser of two evils. The Democratic alternative modifies, refines and substantially improves upon the serious weaknesses of the Gramm-Rudman proposal.

The Gramm-Rudman amendment was adopted in haste and reckless abandon, and passed the Senate without the benefit of any hearings or oversight. Only after the House subjected this bill to serious scrutiny and oversight hearings, did it become obvious that the Gramm-Rudman legislation is flawed from a technical constitutional, and economic standpoint. Worst of all, it is unfair and unbalanced.

The implications of Gramm-Rudman, in altering the constitutional balance of power between the executive branch and Congress, are far reaching. In my opinion, Gramm-Rudman would grant to Ronald Reagan supreme powers to reorganize totally the priorities of our Government and abrogate to the executive branch decisions that should rightfully be made by Congress.

The Democratic alternative returns these basic decisions to the purview of Congress. The Democratic plan also provides for an expedited review of all constitutional issues and an expedited judicial review of Presidential compliance with the implementation of automatic spending reduction provisions.

The mandated and rigid deficit cutting formula under Gramm-Rudman, reducing the deficit in equal \$36 billion increments through 1991, could wreak havoc on our national economy, creating an economic mess.

In contrast, the Democratic alternative balances the budget by 1990, a year earlier

than Gramm-Rudman, by starting deficit reduction this year while the economy is still growing, rather than postponing reductions to later years when the state of the economy will be more uncertain. Moreover, the Democratic alternative ties the size of the deficit to prevailing economic conditions, thereby minimizing the risks of recession.

The Gramm-Rudman proposal simply does not represent a fair and balanced approach to reducing the deficit. Under Gramm-Rudman, no one can tell us exactly what portion of the defense budget would be included in the base for automatic spending reductions and, conceivably, large portions of the defense budget could go untouched. That leaves, primarily the nondefense domestic programs which have already borne deep budget reductions. Over the past 4 years, most of all, the low-income Americans and the disadvantaged have suffered the brunt of these budget cuts. They should not be made to suffer again the pain of deficit reduction.

Neither Gramm-Rudman, nor the Democratic alternative, make mention of reducing tax expenditures which have contributed significantly to our current deficit troubles. Both proposals focus only on reducing expenditures.

Nevertheless, the Democratic alternative attempts to ensure that the pain of balancing the budget is spread more evenly among defense and nondefense programs, and makes special recognition of human aspects of budget reduction. The Democratic alternative takes a humane approach by exempting certain critical programs that, together, comprise a minimal safety net for those less fortunate in our society. In addition to Social Security, these essential safety net programs include community health centers, food stamps, supplemental security income, child nutrition, veterans pensions, aid to families with dependent children and the women, infants and children feeding program.

Even with these exceptions, however, I remain concerned about chapter 1 grants, Head Start, Job Corps, Medicaid, and other education, employment and health programs that will not be spared from the budget axe. These programs are also essential to our Nation's safety net, and in my opinion, should be spared from budget deficit reduction efforts.

The choices before us, however, are few. No one argues the fact that our Nation faces a critical economic problem in the huge deficits confronting our Nation. These deficits threaten to rob younger and future generations of Americans of the high quality of life that we now enjoy. While the Democratic alternative is not without problems, it is by far superior to the Gramm-Rudman approach not only as a more fair deficit reduction plan, but also as a more rational and effective one.

Mr. DORGAN of North Dakota. Mr. Speaker, it was inevitable that we would come to this point. Whether it be titled Gramm-Rudman or some other measure, the House and the Senate and the President were destined to be forced by the will

of the American people to sober up on fiscal policy.

Careening from 1 year to the next with \$200 billion a year deficits and a \$2 trillion debt is something the American people will not and should not accept.

The Senate offered their approach called Gramm-Rudman. That proposal conveniently would have allowed for an increase in spending this fiscal year and then postponed the tough budget choices that have to be made until after the next election.

Some of us in the House of Representatives offered some amendments to Gramm-Rudman that we think improved it. We said, let's cut the budget deficit by nearly \$19 billion this year alone. In other words, let's roll up our sleeves and start now. Why wait until after the next election? We also said that when we're making these cuts, we shouldn't do so with a blindfold on.

Those programs that affect the poorest of the poor in America should not be cut in the same magnitude as some of the gold-plated spending programs that are occurring over at the Pentagon. In other words, we did carve out a few special areas such as veterans who have served this country and are expecting disability checks; poor people who cannot get medical treatment except for the presence of Medicaid; the WIC program—a nutrition program for low-income infants and pregnant mothers. These are some of the areas that we said any country with any sense of compassion must provide for with adequate resources.

But beyond that, we're going to make real budget cuts. And we're going to make them now. This country can't wait; it's tired of empty promises. The President said some years ago with respect to budget deficits, "If not us, who? If not now, when?" Well, it's us, and it's now. Some may not like that, and it's certainly not comfortable. But this is the way it has to be if we're going to avoid fiscal disaster in this country's future.

One further inescapable fact about these budget deficits is that the Federal Government will not solve the problem solely by reductions in expenditures. Spending cuts are an important part of the solution, but they must be accompanied by some additional revenue. We can raise more revenue by eliminating tax loopholes. The time is long past when we should accept the biggest corporations making the biggest money and paying no taxes or large families enlarging their riches without the responsibility of paying income taxes. It is not unusual to see the maid pay a higher percentage of income tax than the rich family for whom she works. It's also not unusual for the clerk-typist in a major corporation to pay more in income tax than the corporation for which he or she works. That's wrong and it's time to change it.

The point is, we must close these tax loopholes, and we must get additional revenue from those who are not now paying in order to help us move toward a balanced budget. The President is right when he says we need spending restraint, but he's wrong when he says that we don't need additional



revenue. The President and his friends who are in his same tax bracket have been treated too generously by the 1981 tax cuts. Working families are still paying a tax bill that's too heavy while the rich are feeding at the trough of America's newest growth industry—the tax shelter industry. With or without the President's support we've got to change all of that.

We are no longer in the position of debating whether we will be addressing this deficit problem. The now question is how. And the fact that we've reached that level in the debate is heartening to those of us who believe that these deficits proposed by Ronald Reagan and timidly accepted by the U.S. Congress will no longer be accepted by the American people. A combination of spending cuts and new revenue from closing tax loopholes can move us toward a balanced budget, and I welcome it.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield the remaining 2 minutes to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker and Members of the House, this may be the most important vote you will cast in this Congress or perhaps in any Congress in which you will serve.

Let us understand why we are here today talking about this kind of a mechanism. We are here today because we have a President who will not lead to get rid of deficits and because we have Members in the other body who do not want to vote for a \$2 trillion debt ceiling without a figleaf to hide what they are doing.

And the worst part is that the other side is saying, "Let's not do it now. It is a good idea; we need it, but let's not do it now."

The President said, "If not us, who? If not now, when?" Does that not apply to what we are doing today? Our alternative does it now.

Two other quick points. No. 1, what are your values? That is what is at stake here today. Who do you want to protect? We are talking about 50-percent defense, 50-percent nondefense. The question is, who do you exempt? Members of the other side came down here and, in 1-minute speeches yesterday, said, "We are going to protect the elderly." Yet, in the proposal they made yesterday, they put Medicare in category No. 2 so that it gets cut beyond the COLA.

Shame on you for making the speeches and then making that proposal.

Second, it has to do with powers. If you vote for their alternative rather than ours, what it says is you do not care what powers you give to the President. He has all the power. You have rearranged the Constitution. You have said he can do anything he wants, and there is no way to go to court to stop him.

When Ben Franklin was leaving the hall after writing the Constitution, a group wanted to know if we were going to have a republic or whether we were

going to have a monarchy. He was happy to say we had decided to have a republic.

Then he walked on, and he turned back, and he said, "My friends, we have a republic if we can keep it."

The vote today on this alternative is whether or not you want to keep it.

The SPEAKER. All time has expired.

Mr. ROSTENKOWSKI. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

Mr. SPEAKER. The question is, Will the House concur in Senate amendment No. 2 with an amendment?

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 249, nays 180, not voting 5, as follows:

[Roll No. 386]

YEAS—249

Ackerman  
Akaka  
Alexander  
Anderson  
Andrews  
Annunzio  
Anthony  
Applegate  
Aspin  
Atkins  
AuCoin  
Barnard  
Barnes  
Bates  
Bedell  
Beilenson  
Bennett  
Berman  
Bevill  
Blaggi  
Boggs  
Boland  
Bonner (TN)  
Bonior (MI)  
Bonker  
Borski  
Bosco  
Boucher  
Boxer  
Breaux  
Brooks  
Brown (CA)  
Bruce  
Bryant  
Burton (CA)  
Bustamante  
Byron  
Carper  
Carr  
Chapman  
Chappell  
Clay  
Coelho  
Coleman (TX)  
Collins  
Conyers  
Cooper  
Coyne  
Daniel  
Darden  
Daschle  
de la Garza  
Dellums  
Derrick  
Dicks  
Dingell  
Dixon  
Donnelly

Dorgan (ND)  
Dowdy  
Downey  
Durbine  
Dwyer  
Dymally  
Dyson  
Early  
Eckart (OH)  
Edgar  
Edwards (CA)  
Erdreich  
Evans (IL)  
Fascell  
Fazio  
Feighan  
Filippo  
Florio  
Foglietta  
Foley  
Ford (MI)  
Ford (TN)  
Fowler  
Frank  
Frost  
Fuqua  
Garcia  
Gaydos  
Gedden  
Gephardt  
Gibbons  
Glickman  
Gonzalez  
Gordon  
Gray (IL)  
Gray (PA)  
Guarini  
Hall (OH)  
Hall, Ralph  
Hamilton  
Hammerschmidt  
Hatcher  
Hawkins  
Hayes  
Hefner  
Heftel  
Hertel  
Howard  
Hoyer  
Hubbard  
Huckaby  
Hughes  
Hutto  
Jacobs  
Jenkins  
Jones (NC)  
Jones (OK)

Jones (TN)  
Kaptur  
Kastenmeier  
Kennelly  
Kildee  
Klecicka  
Kolter  
Kostmayer  
LaFalce  
Lantos  
Leath (TX)  
Lehman (CA)  
Lehman (FL)  
Leland  
Levin (MI)  
Levine (CA)  
Lipinski  
Lloyd  
Long  
Lowry (WA)  
Lukens  
Lundine  
MacKay  
Manton  
Markay  
Martinez  
Matsui  
Mavroules  
Mazzoli  
McCloskey  
McCurdy  
McHugh  
Mica  
Mikulski  
Miller (CA)  
Mineta  
Mitchell  
Moakley  
Mollohan  
Montgomery  
Moody  
Morrison (CT)  
Mrazek  
Murphy  
Murtha  
Natcher  
Nelson  
Nichols  
Nowak  
Oakar  
Oberstar  
Obey  
Olin  
Ortiz  
Owens  
Panetta  
Pease  
Penny

Pepper  
Perkins  
Pickle  
Price  
Rahall  
Rangel  
Ray  
Reid  
Richardson  
Robinson  
Rodino  
Roe  
Roemer  
Rose  
Rostenkowski  
Rowland (GA)  
Roybal  
Russo  
Sabó  
Savage  
Scheuer  
Schroeder  
Schumer  
Seiberling  
Sharp

Shelby  
Sikorski  
Sisisky  
Skellton  
Slattery  
Smith (FL)  
Smith (IA)  
Solarz  
Spratt  
St Germain  
Staggers  
Stallings  
Stark  
Stenholm  
Stokes  
Stratton  
Studds  
Swift  
Synar  
Tallon  
Tauzin  
Thomas (GA)  
Torres  
Torricelli  
Towns

Trafficant  
Traxler  
Udall  
Valentine  
Vento  
Visclosky  
Volkmer  
Walgren  
Watkins  
Waxman  
Weaver  
Weiss  
Wheat  
Whitley  
Whitten  
Williams  
Wilson  
Wirth  
Wise  
Wolpe  
Wright  
Wyden  
Yates  
Yatron  
Young (MO)

NAYS—180

Archer  
Armey  
Bartlett  
Barton  
Bateman  
Bentley  
Bereuter  
Billakis  
Billey  
Boehlert  
Boulter  
Broomfield  
Brown (CO)  
Broyhill  
Burton (IN)  
Callahan  
Campbell  
Carney  
Chandler  
Chapple  
Cheney  
Clinger  
Costs  
Cobey  
Coble  
Coleman (MO)  
Combest  
Conte  
Coughlin  
Courtner  
Craig  
Crane  
Crockett  
Dannemeyer  
Daub  
Davis  
DeLay  
DeWine  
Dickinson  
DioGuardi  
Dornan (CA)  
Dreier  
Duncan  
Eckert (NY)  
Edwards (OK)  
Emerson  
Evans (IA)  
Fawell  
Fiedler  
Fields  
Fish  
Franklin  
Frenzel  
Gallo  
Gekas  
Gilman  
Gingrich  
Goodling  
Gradison  
Green  
Gregg

Grotberg  
Gunderson  
Hartnett  
Hendon  
Henry  
Hiler  
Hillis  
Holt  
Hopkins  
Horton  
Hunter  
Hyde  
Ireland  
Jeffords  
Johnson  
Kanjorski  
Kasich  
Kemp  
Kindness  
Kolbe  
Kramer  
Lagomarsino  
Latta  
Leach (IA)  
Lent  
Lewis (CA)  
Lewis (FL)  
Lightfoot  
Livingston  
Loeffler  
Lott  
Lowery (CA)  
Lujan  
Lungren  
Mack  
Madigan  
Martin (IL)  
Martin (NY)  
McCain  
McCandless  
McCollum  
McDade  
McEwen  
McGrath  
McKernan  
McKinney  
McMillan  
Meyers  
Michel  
Miller (OH)  
Miller (WA)  
Mollinari  
Monson  
Moore  
Moorhead  
Morrison (WA)  
Myers  
Nielsen  
O'Brien  
Oxley  
Packard

Parris  
Pashayan  
Petri  
Porter  
Pursell  
Quillen  
Regula  
Ridge  
Rinaldo  
Ritter  
Roberts  
Rogers  
Roth  
Roukema  
Rowland (CT)  
Rudd  
Saxton  
Schaefer  
Schneider  
Schuette  
Schulze  
Sensenbrenner  
Shaw  
Shumway  
Shuster  
Siljander  
Skeen  
Slaughter  
Smith (NE)  
Smith (NJ)  
Smith, Denny  
(OR)  
Smith, Robert  
(NH)  
Smith, Robert  
(OR)  
Snowe  
Snyder  
Solomon  
Spence  
Stangeland  
Strang  
Stump  
Sundquist  
Sweeney  
Swindall  
Tauke  
Taylor  
Thomas (CA)  
Vander Jagt  
Vucanovich  
Walker  
Weber  
Whitehurst  
Whittaker  
Wolf  
Wortley  
Wylie  
Young (AK)  
Young (FL)  
Zschau

NOT VOTING—5

Addabbo  
Badham

Hansen  
Marlenee

Neal

□ 1405

So the House concurred in Senate Amendment No. 2 with an amendment.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the third amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 3: Page 1, after line 7, insert:

SEC. 4. ACHILLE LAURO HIJACKING.

(a) the Senate finds that—

(1) the four men identified as the hijackers of the Achille Lauro were responsible for brutally murdering an innocent American citizen, Leon Klinghoffer, and for terrorizing hundreds of innocent crew members and passengers for two days;

(2) the United States urges all countries to aid in the swift apprehension, prosecution, and punishment of the terrorists; and

(3) the United States should not tolerate any country providing safe harbor or safe passage to the terrorists.

(b) It is the sense of the Senate that—

(1) the United States demands that no country provide safe harbor or safe passage to these terrorists;

(2) the United States expects full cooperation of all countries in the apprehension, prosecution, and punishment of these terrorists;

(3) the United States cannot condone the release of terrorists or the making of concessions to terrorists; and

(4) the United States identify those individuals responsible for the seizure of the Achille Lauro and the cold-blooded murder of Leon Klinghoffer, as well as those countries and groups that aid and abet such terrorist activities, and take the strongest measures to ensure that those responsible for this brutal act against an American citizen are brought to justice.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MOTION OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. ROSTENKOWSKI moves that the House recede from disagreement and concur in the Senate amendment No. 3.

The SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 1 hour.

Mr. ROSTENKOWSKI. Mr. Speaker, the motion simply recedes to the Senate amendment concerning the Achille Lauro hijacking incident. That is all the amendment does.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The motion was agreed to.

A motion to reconsider was laid on the table.

# REQUEST FOR CONSIDERATION OF H.R. 3669, PREVENTING THE DISINVESTMENT OF SOCIAL SECURITY TRUST FUNDS AND OTHER TRUST FUNDS

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the bill (H.R. 3669) to prevent the disinvestment of the Social Security trust funds and other trust funds, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

## EXPLANATION OF REQUEST TO CONSIDER H.R. 3669

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute.)

Mr. ROSTENKOWSKI. Mr. Speaker, I would just like to inform the House that what the gentleman from Pennsylvania [Mr. WALKER] has just objected to results in the continued disinvestment of Social Security trust funds.

I thought that this exercise was mainly so that we would not reach into those trust funds and harm what we consider a sacred trust.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from Oklahoma.

Mr. WALKER. Mr. Speaker, will the gentleman yield to me, since he referred to me?

Mr. JONES of Oklahoma. Mr. Speaker, I would hope that on unanimous consent this could be reconsidered and that the gentleman from Pennsylvania would reconsider.

We have a situation that this weekend the Secretary of the Treasury has indicated that he will invade the Social Security reserve to the tune of \$15 billion.

Now, that will leave \$8 billion in the reserve funds to pay beneficiaries of the Social Security trust fund.

There is a court case pending before the U.S. District Court. The plaintiffs are the AARP, the Save our Security. There are several plaintiffs, such as former Secretary of HEW, Arthur Flemming, and others who are recipients. The attorney is Elliot Richardson. They are arguing that the Department of the Treasury has no legal authority to invade the Social Security trust fund to pay anything other than the beneficiaries of Social Security.

I am part of that suit, and I think they are right.

If the court should rule tonight—and they kept the case pending from

last night, depending on what Congress does on the debt limit—in favor of the plaintiffs, then you send this Government into a very difficult situation that could cause default. I would hope that the gentleman would reconsider to prevent a default and to prevent the Social Security trust fund from being invaded for purposes other than paying benefits to the beneficiaries of Social Security.

Mr. WALKER. Mr. Speaker, will the gentleman yield, since he referred to me?

Mr. ROSTENKOWSKI. I will yield to the gentleman in 1 minute.

Mr. WALKER. I thank the gentleman.

Mr. ROSTENKOWSKI. Mr. Speaker, I would just like to say that unless the Congress acts today to provide the additional \$17 billion of public debt authority, the Treasury Department will be forced to continue to disinvest the surpluses of the Social Security and other trust funds.

I would feel very poorly about going home this weekend and allowing that to happen.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I would say to the gentleman that it is my understanding, under the statement that he has just made, that we have over 9 hours before the action is taken. It is now my understanding, I have just been informed, that the other body is prepared to take up the action this House has just taken and send the issue back to us.

It seems to me reasonable that if in fact you are confident that the proposal you have just passed in the House is a meritorious proposal, you ought to give the Senate a chance to look at it and act on it before we take this action.

It also seems to me that if the Senate rejects it, it might be possible for this House to take a vote on the Gramm-Rudman proposal that we have been denied a vote on thus far, before we take this action.

So it seems to me that sometime before midnight this particular action might be entirely appropriate, but at the present time what we are attempting to do is to leave town without resolving the major issue of our time, and that is whether or not we are going to do anything about eliminating deficits in this country. I think that is wrong.

Mr. ROSTENKOWSKI. Mr. SPEAKER, I hope the gentleman is more confident in the 9 hours than I am. I am not satisfied that we have 9 hours before desinvestment occurs.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will make the following statement:



The Chair thought there was an agreement between the parties. Apparently there was not an agreement between the parties.

The only alternative that the Chair sees at this particular time, in view of the fact that there is an objection, is that the chairman of the Committee on Rules call forthwith a meeting of the Committee on Rules and see if a rule can be reported to provide for the consideration of this bill.

The Chair had anticipated that there had been an agreement and by virtue of that fact the Chair thought that there would be an adjournment for the day and that the House would be back here on Monday.

There is no way, from the information that the Chair has received—and he has only talked, with his own party—that this is going to be cleared by this evening. There are many of the 27 who feel strongly, with some of the improvements that have been made in this bill. In view of the fact that there is an objection, the Chair would ask chairman of the Committee on Rules to forthwith notify the Committee on Rules and, while there is no business, the Chair would hope that we would go along with special orders and that if we must come back tonight, he would hope we would be able to recess the House.

□ 1420

#### LET US NOT INVADE THE SANCTITY OF THE SOCIAL SECURITY TRUST FUND

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, I am party with Mr. JONES of Oklahoma in an attempt to go to court and try and prevent this disinvestment procedure.

There are shock waves going out across the Nation now that we have or we are invading the trust fund. There is no need for us to try to delay 3 hours, 4 hours, 9 hours; we know we must put a stop to that because we are eroding the confidence of the American people and the sanctity of the Social Security Trust Fund.

I do not see anything to be gained by trying to delay and roll over for a few hours. I would hope that the gentleman could still reconsider so that we can relieve the fears of the American people that their trust fund will be gone.

#### PERMISSION FOR SPEAKER TO DECLARE RECESSES ON THIS LEGISLATIVE DAY SUBJECT TO THE CALL OF THE CHAIR

The SPEAKER. For what purpose does the gentleman from Texas rise?

Mr. WRIGHT. Mr. Speaker, in view of the situation that has occurred and

the objection expressed by the gentleman from Pennsylvania [Mr. WALKER], I ask unanimous consent that it may be in order for the Speaker to declare recesses at any time on this legislative day, subject to the call of the Chair.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Chair would hope that the chairman of the Rules Committee would forthwith call a meeting of his committee, the Committee on Rules, and that the chairman of the Ways and Means Committee would appear before it.

#### REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 6, WATER RESOURCES CONSERVATION, DEVELOPMENT, AND INFRASTRUCTURE IMPROVEMENT AND REHABILITATION ACT OF 1985

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 99-352) on the resolution (H. Res. 305) providing for the consideration of the bill (H.R. 6) to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure, which was referred to the House Calendar and ordered to be printed.

#### PARLIAMENTARY INQUIRY

Mr. LOTT. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LOTT. Mr. Speaker, I would inquire if the Chair will recognize this gentleman for the requests for special orders and the extension of remarks.

The SPEAKER. The Chair has already informed the House that we understand that the Rules Committee is on its way, and that the House will take up special orders and then the Rules Committee will report at a later time, unless there is a change in the heart and tenure of one of the Members of the House. The House will go with special orders and then come back.

Mr. LOTT. I thank the Chair

#### DEFICITS AT THE MOST EXORBITANT LEVELS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. WEISS] is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, I would like to place into some context the events of the day. As every Member of this body knows, over the course of the 5 years that the current administration has been in office, our national

debt has risen from slightly under \$1 trillion to almost \$2 trillion.

Those increases occurred because the President, for 5 successive years has submitted to us budgets which have been in deficit at the most exorbitant levels in our history.

□ 1430

The deficits over the course of the term of the Reagan administration have each year been more exorbitant than any deficits ever in the history of this Republic. Indeed the fiscal year that was just concluded on September 30 ended with a deficit, of \$212 billion dollars.

The President has submitted budgets annually which have been out of balance in those proportions. Indeed the Congress has for every single one of the years that the administration has been in office adopted budgets below those which the President has submitted.

The reason for the deficits has been the President's tax program which he pushed through this Congress in 1981 and which created a reduction in revenues in this House of some \$750 billion, and at the same time and over the same period the President has enormously increased the defense portion of the budget. So even though domestic spending has gone down drastically the deficit has increased astronomically, because revenues have been cut back and because the defense budget has gone through the roof. Eventually, of course there comes a time to pay the bills. But when not enough taxes come in, the only other way to pay those bills is to borrow. However, the law prohibits the Treasury from borrowing money to meet those deficits unless Congress authorizes the raising of the debt ceiling.

Every year, therefore, as the debt increases Congress has to raise the debt ceilings. Right now we have to raise the debt ceiling to the \$2 trillion level so that the Government can continue to function.

The Reagan administration and especially our colleagues on the other side of the aisle, both in the House and especially in the Senate, do not want the American people to know that in fact they and their President and their administration have been responsible for those fantastic increases in the national debt. And so, having created the budget deficit, they now want to cover up that fact that these deficits have increased so tremendously, and they have come up with the Gramm-Rudman proposal to try to pretend to the American people that there will be some mechanism that will take care of the deficits in the future.

It is the same kind of magic that Gramm-Latta was supposed to achieve 5 years ago when we were told by the

President not to worry about cutting those taxes on corporations and on the very wealthy in this country because we would grow our way out of the deficit. It has not happened. There are no magic bullets. Mirages are not reality.

And so what they have come up with is this plan which is clearly unconstitutional. It will not only reverse the constitutional checks and balances between the executive and legislative branches but will also in the event of an economic recession probably, through the fiscal straitjacket it mandates, force us into a depression.

Those of us on the Democratic side who voted for the Rostenkowski amendment did so not because we think in the abstract it was a marvelous way to govern. The choice was of our constituencies figuratively—in many instances, literally—being killed or being severely wounded. We took the chance that if they were severely wounded, we would have the chance in the future to help them recover. That is what the debate is all about.

Mr. AuCOIN. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I am delighted to yield to my colleague, the gentleman from Oregon.

Mr. AuCOIN. Mr. Speaker, I appreciate the gentleman's yielding, and I would have to make the observation that there was a pernicious tactic involved on the Republican side of the aisle as well. They tried, as Members who have watched the 1-minute speeches each morning know very well, and as Americans who have watched those same speeches also know, to use the threat of disinvestment of the Social Security Trust Fund, the fear of that, to drive this House into accepting their method of balancing the budget within 5 years, a method that many Democrats felt was grossly unfair. And I find it strange now, now that the House has voted for an alternative, that it was a Republican who objected to a motion that would prevent any disinvestment in Social Security over the next several days. I find that very, very unusual given the Republicans' stated opposition to that tactic.

Mr. WEISS. Mr. Speaker, I thank my colleague, the gentleman from Oregon for his important contribution.

#### DEFENSE ENVIRONMENTAL RESTORATION PANEL AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. McCurdy] is recognized for 5 minutes.

Mr. McCURDY. Mr. Speaker, in the near future, the House will consider a bill to reauthorize the Superfund. The rapid and effective cleanup of our hazardous waste sites around the country

is one of the most important public health issues before the Congress today.

Several committees of the House have, or will shortly, report legislation to provide for the Superfund reauthorization.

The bill reported by the Committee on Energy and Commerce, H.R. 2817, contains a section that, for the first time in Superfund history, specifically deals with Federal facilities.

As the Members know, the Committee on Armed Services has oversight responsibility for all Department of Defense installations, and would normally ask for referral on the Superfund legislation. In this instance, the committee decided not to request referral but instead created a special panel to review the Defense Department's efforts in this area.

The bipartisan environmental restoration panel, which I chair, has just completed several months of careful review and hard work. We have prepared some sensible and needed legislation dealing with the cleanup of Federal hazardous waste sites.

The panel recently approved a series of amendments, which I propose to offer, which will greatly strengthen our cleanup efforts at military installations, and also would make DOD, the Environmental Protection Agency, and the States more effective partners in this vital national priority.

Mr. Speaker, I have reserved time in today's special orders and I intend to submit the amendments to be printed in the RECORD so that the full extent of its contents may be reviewed by the Members.

Mr. Speaker, I would also like to commend each of the members of the Armed Forces Panel on Environmental Restoration, which spent a number of hours working, hearing witnesses, and preparing the amendments that we will soon offer. Specifically, I would like to commend the gentleman from Michigan [Mr. HERTEL], the gentleman from Georgia [Mr. RAY], the gentleman from Kentucky [Mr. HOPKINS], and the gentleman from Colorado [Mr. KRAMER]. I would also like to commend the gentleman from California [Mr. FAZIO] for his diligent efforts in pursuit of this issue and the very valuable assistance that he provided to the panel by introducing legislation that would also cover Federal facilities. Again I want to commend him for his cooperation because I think we have completely come to an agreement on these amendments and will offer them en bloc.

Mr. Speaker, I submit a report and the amendments to which I referred for printing in the RECORD, as follows:

#### REPORT OF THE ENVIRONMENTAL RESTORATION PANEL TO THE HOUSE ARMED SERVICES COMMITTEE REGARDING ITS RECOMMENDATIONS CONCERNING H.R. 1940 AND AMENDMENTS TO H.R. 2817, THE SUPERFUND AUTHORIZATION BILL REPORTED BY THE HOUSE COMMITTEE ON ENERGY AND COMMERCE

Mr. McCURDY. Mr. Chairman, as the members will recall, the Environmental Restoration Panel was established on July 29 to study the Department of Defense (DoD) Environmental Restoration Program and make recommendations to the committee to streamline the program and insure its compliance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA)—more commonly referred to as the "Superfund Act". The immediate task confronting the panel was to review pending legislation introduced by Mr. FAZIO, H.R. 1940. The intent of H.R. 1940 was to clarify DoD responsibilities of the Department of Defense under CERCLA and raised issues involving funding and policy matters ranging across the jurisdiction of at least four subcommittees.

Just two days after the creation of the panel there was a major development that altered its focus and approach. Specifically, the House Committee on Energy and Commerce reported out H.R. 2817, Superfund Amendments of 1985. In addition to authorizing additional funding for Superfund cleanups of toxic waste sites, H.R. 2817, for the first time, specifically addressed cleanups at federal facilities. This affected the panel in two important ways. First, H.R. 2817 would provide a convenient and appropriate legislative vehicle for the provisions contained in H.R. 1940. Second, the nature and impact of the federal facilities provisions contained in H.R. 2817 raised a host of new policy issues to be addressed by the panel in a very short period of time.

Consequently, on September 18th, the panel agreed to explore the feasibility of recommending to this committee amendments to H.R. 2817 that would incorporate its recommendations on the provisions contained in H.R. 1940 along with recommended changes to the federal facilities provisions. On September 26th, the panel received testimony from DoD, and Environmental Protection Agency witnesses along with interested members of Congress regarding toxic waste cleanups and federal facilities. Finally, on October 10th, the panel unanimously approved recommending to the committee the amendments that are before you this morning.

I want to emphasize at the outset that in presenting these amendments, the panel has two primary objectives in mind. One, to provide clear policy and program guidance to DoD in meeting its environmental restoration responsibilities under CERCLA. And two, to establish a process that will streamline program implementation while allowing meaningful state and local participation in the development and execution of cleanup efforts at federal facilities.

In accordance with these dual objectives, the amendments can be broken down into two categories. The first 14 pages contain amendments reflecting the panel's recommendations regarding the DoD specific provisions contained in H.R. 1940. The remaining 12 pages contain amendments reflecting the panel's recommendations regarding the federal facilities provisions of H.R. 2817.

Although the specific provisions are explained in the accompanying section-by-section analysis, I would like to briefly mention



a few salient features of the first part of the amendments.

First of all, Sec. 151 requires that the Secretary of Defense carry out a program of environmental restoration and to identify a specific office within OSD having responsibility for program execution. This section also establishes specific program goals that are consistent with CERCLA and overall federal environmental restoration guidelines. To insure that the Environmental Protection Agency (EPA) has input into the development of procedures and program implementation, the Secretary is required to consult with the Administrator of EPA.

Second, Sec. 152 establishes a research, development, and demonstration program to aggressively pursue new technologies for the treatment, disposal and management of hazardous substances used by DoD. Properly supported and managed this program offers the greatest potential return on investment for environmental restoration dollars.

Third, Sec. 153 establishes an Environmental Restoration Transfer Account that will allow the Secretary of Defense to apply available funding in the most timely and effective fashion while giving Congress maximum oversight over budget development and execution.

Finally, Sec. 155 requires DoD to insure that EPA, state and local authorities are kept fully informed about environmental restoration efforts and have adequate opportunity to review and comment on all phases of DoD toxic waste cleanups.

Taken together, these provisions provide the basis for a responsible, flexible and effective DoD program to carry out environmental restoration.

The second category of amendments deals with the issue of state participation in toxic waste cleanups at all federal facilities not just DoD. The issue of state participation in federal facility cleanups has generated a great deal of debate and frustration in recent years. And, frankly, federal agencies—including DoD and the Department of Energy—have not been without fault in their dealing with state and local authorities. In fact, much of the preliminary work done by DoD has suffered due to the failure to work more closely with state and local environmental representatives. In addition, the failure by federal agencies to provide full and timely information to affected communities had fuelled controversy and created a reservoir of suspicion and ill-will that will take years to dissipate.

On the other hand, it is clear that DoD and the Services have made a great deal of progress to remedy these short-comings. In late 1983, DoD signed a memorandum of agreement with EPA that has established a good working relationship between the two agencies in addressing environmental restoration problems within the context of existing federal policy and standards. In addition, new DoD guidance provides for state and local participation in ongoing cleanup efforts and encourages the adoption of promulgated state standards and siting requirements. Basically, DoD has come to recognize that if it wants to be a good neighbor and enjoy the continued support of the communities surrounding its installations, it has to become a full partner in efforts to clean up the environment.

Unfortunately, the pendulum is swinging to the other extreme with a vengeance. As reported by the House Energy and Commerce Committee, H.R. 2817 provides that all cleanups at federal facilities be subject

to all federal and state permit requirements. In effect, the states will have an absolute veto power over the performance of any future federal cleanup. While this approach effectively addresses the problem of past federal noncooperation, it creates a number of serious new problems.

In the first place, the use of permits for toxic waste cleanups is largely inappropriate. In testimony before the panel, the DoD witness, Mr. Carl J. Schafer, Jr., Director for Environmental Policy, summed it up well:

"Permits are basically a device in which to set a timetable for the installation of technology that has been identified as capable of meeting certain performance standards, and to enforce those standards. It is the lack of those scientific and technological determinations that bring me to the conclusion that permit procedures are inappropriate to the hazardous waste cleanup program."

The fact of the matter is that toxic waste cleanup efforts more closely represent a research and development program with many uncertainties and technical problems. We know too little about many hazardous substances to develop uniform standards to tell us "How clean is clean?" Under the circumstances, the best answers to many of the cleanup problems will come through a process of consultation and negotiation. The imposition of state permit requirements amounts to a single party veto that undercuts meaningful negotiation. I fear that the result will be a dictated solution that may not be environmentally sound or fiscally responsible.

Another problem with state permits is that they represent an uncontrolled variable that is likely to impose significant additional requirements for federal cleanup efforts without being subject to any kind of federal review. If DoD wants to carry out its environmental program, it will have no option but to pay the additional cost to meet applicable state permit requirements. Those requirements may be inconsistent with federal guidelines, be technically infeasible, and could end up delaying response action.

The requirement of state permits may also complicate efforts to secure congressional authorization and appropriation of funds for cleanup efforts. It will be very difficult to recommend the authorization and appropriation of funding for a DoD cleanup absent a state permit. And in this instance, an impasse over state permitting requirements will translate into a one year slip in the initiation of remedial action.

In sum, state permits are inconsistent with the technical uncertainty surrounding hazardous waste cleanup efforts, with the necessity for good faith negotiations, and with efficient and effective management and oversight. I can see no way that the imposition of state permits will not result in delaying federal cleanup programs; increasing costs, and promoting suboptimal response strategies.

Nevertheless, the panel recognizes that any solution to the problems created by the imposition of state permit requirements must provide for full and meaningful state participation in the development and implementation of federal cleanups. That is the basis for the compromise amendment which I will briefly outline:

In return for the elimination of the requirement for state permits, there will be a presumption in favor of promulgated state standards and siting requirements. Thus, in

the vast majority of cases where state standards and siting requirements are reasonable and consistently applied, they will be incorporated into response action selected by the Administrator of EPA (at sites on the National Priority List (NPL)) or agency heads (at non-NPL sites). If state standards and siting requirements are incorporated into the response action, the state can go to federal court to enforce that action. In sum, the panel compromise procedure provides the substance of state permits—state standards and siting requirements and enforceability—without subjecting the remedial action to one party veto.

If the Administrator or agency head rejects state standards and siting requirements, he must find that his alternative remedial action provides "substantially equivalent" protection of public health and the environment and that the state standard was inconsistent with the National Contingency Plan (NCP), or is not being consistently applied in other remedial actions in the state. Clearly, rejections will be few and far between to meet this tough criteria. The important thing, however, is that this procedure does afford some protection against unreasonable state standards and siting requirements and encourages a negotiated settlement of these differences.

Even if its standards and siting requirements have been rejected, the state can still insist on its remedial action if it is willing to pay the difference. Subsequently, it can seek to recover all or part of this funding in federal court if it believes that the Administrator or agency head acted wrongly.

Although this process falls short of the level of state control afforded by the imposition of permit requirements, it does largely address state concerns. The panel believes this compromise does provide meaningful participation by EPA and the states in accomplishing the expeditious cleanup of DoD and DoE toxic waste sites. The panel strongly believes that this goal should be paramount and seeks to avoid any "show stoppers" that will impede the timely initiation and completion of remedial actions. We believe it is time to get on with the job and this process does that.

One final issue is the question of a national security exemption that will allow the President to issue such orders as necessary to protect national security and waive the provisions of this act. In addition, to avoid the release of restricted data or national security information, all statutory or executive order requirements will apply to Citizen right-to-know provisions of H.R. 2817.

While the panel recognizes the need to avoid the use of CERCLA provisions to interfere with or jeopardize legitimate national security requirements and strategic program, it is equally sensitive to the possibility that such an exemption could be used to cloak DoD cleanup activities and prevent citizen access to information to which they are legitimately entitled. Consequently, the amendment requires that the waiver authority be site specific, that Armed Services and Appropriations Committees be notified within 30-days regarding the reason for this action, and that the remedial action be resumed as quickly as practicable. The panel recommends such waiver authority in the belief that it represents a prudent hedge against uncertainty and expects that it will be rarely exercised.

On the basis of the panel's review of H.R. 1940, and the fact that it has not been acted upon by the Energy and Commerce and Public Works and Transportation Commit-

tees, we recommend that no further action be taken on that bill. Rather, the panel recommends, as an alternative, that the committee support an amendment to H.R. 2817 to be offered by the panel chairman in his name when that legislation is considered by the House of Representatives. The panel also requests that the committee endorse the panel chairman's personal appearance before the Rules Committee when it considers a rule on H.R. 1827. Finally, unless there is some objection we will make any necessary technical and conforming corrections to the amendments as presented today prior to offering them on the floor.

Thank you, Mr. Chairman.

**AMENDMENT TO H.R. 2817 (SUPERFUND AMENDMENTS OF 1985) APPROVED BY THE ENVIRONMENTAL RESTORATION PANEL OF THE HOUSE ARMED SERVICE COMMITTEE**

(Page and line numbers refer to the bill as reported by the Committee on Energy and Commerce.)

Page 86, line 23, insert "(a) IN GENERAL.—" before "Title I".

Page 95, after line 23, insert the following new subsection:

(b) SPECIAL PROVISIONS FOR DEPARTMENT OF DEFENSE.—Title I of CERCLA is amended—

(1) by inserting before section 101 the following: "Subtitle A—Response, Liability, and Compensation"; and

(2) by adding at the end thereof the following new subtitle:

"Subtitle B—Department of Defense Environmental Restoration Program

**"SEC. 151. DOD ENVIRONMENTAL RESTORATION PROGRAM.**

"(a) ENVIRONMENTAL RESTORATION PROGRAM.—

"(1) IN GENERAL.—The Secretary shall carry out a program of environmental restoration at facilities under the jurisdiction of the Secretary. The program shall be known as the 'Defense Environmental Restoration Program'.

"(2) APPLICATION OF SECTION 120.—The program shall be carried out subject to section 120 (relating to Federal facilities).

"(3) CONSULTATION WITH EPA.—The program shall be carried out in consultation with the Administrator.

"(4) DESIGNATION OF ADMINISTRATIVE OFFICE WITHIN OSD.—The Secretary shall identify an office within the Office of the Secretary which shall have the responsibility for carrying out the program.

"(b) PROGRAM GOALS.—Goals of the program shall include the following:

"(1) The identification, investigation, and cleanup of contamination from hazardous substances and wastes.

"(2) Correction of other environmental damage, such as detection and disposal of unexploded ordnance, which creates an imminent and substantial endangerment to the public health, welfare, or environment.

"(3) Demolition and removal of unsafe buildings and structures, including buildings and structures of the Department at sites formerly used by or under the jurisdiction of the Secretary.

"(c) RESPONSIBILITY FOR RESPONSE ACTIONS.—

"(1) BASIC RESPONSIBILITY.—The Secretary shall carry out (in accordance with the provisions of this title) all response actions with respect to releases of hazardous substances from each of the following:

"(A) Each facility or site owned by, leased to, or otherwise possessed by the United

States and under the administrative jurisdiction of the Secretary.

"(B) Each facility or site which was under the administrative jurisdiction of the Secretary and owned by, leased to, or otherwise possessed by the United States at the time of action leading to contamination by hazardous substances.

"(C) Each vessel of the Department of Defense, including vessels owned or bareboat chartered and operated.

"(2) OTHER RESPONSIBLE PARTIES.—Paragraph (1) shall not apply to a removal or remedial action if the Administrator has provided for response action by a potentially responsible person in accordance with section 122.

"(3) STATE FEES AND CHARGES.—The Secretary shall pay all fees and charges imposed by State authorities for permit services for the disposal of hazardous substances on lands which are under the administrative jurisdiction of the Secretary to the same extent that nongovernmental entities are subject to fees and charges imposed by State authorities for permit services. This requirement shall not apply where such payment is the responsibility of a lessee, contractor, or other private person.

"(d) SERVICES OF OTHER AGENCIES.—The Secretary may enter into agreements on a reimbursable basis with any other Federal agency, and on a reimbursable or other basis with any State or local government agency, to obtain the services of that agency to assist the Secretary in carrying out any of the Secretary's responsibilities under this section. Services which may be obtained under this subsection include the identification, investigation, and cleanup of any off-site contamination possibly resulting from the release of a hazardous substance or waste at a facility under the Secretary's administrative jurisdiction.

"(e) The provisions of section 119 apply to contractors for response actions under this section.

"(f) FUNCTIONS AT SITES FORMERLY USED BY DEPARTMENT OF DEFENSE.—The Secretary, as part of the Defense Environmental Restoration Program, may provide for the removal of unsafe buildings or debris of the Department of Defense at sites formerly used by the Department.

**"SEC. 152. RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM.**

"(a) PROGRAM.—As part of the Defense Environmental Restoration Program, the Secretary shall carry out a program of research, development, and demonstration with respect to hazardous wastes. The program shall be carried out in consultation and cooperation with the Administrator. The program shall include research, development, and demonstration with respect to each of the following:

"(1) Means of reducing the quantities of hazardous waste generated by activities and facilities under the jurisdiction of the Secretary.

"(2) Methods of treatment, disposal, and management (including recycling and detoxifying) of hazardous waste of the types and quantities generated by current and former activities of the Secretary and facilities currently and formerly under the jurisdiction of the Secretary.

"(3) Identifying more cost-effective technologies for cleanup of hazardous substances.

"(4) Toxicological data collection and methodology on risk of exposure to hazardous waste generated by the Department of Defense.

"(5) The testing, evaluation, and field demonstration of any innovative technology, processes, equipment, or related training devices which may contribute to establishment of new methods to control, contain, and treat hazardous substances.

"(b) SPECIAL PERMIT UNDER SECTION 3005(g) OF RCRA.—The administrator may use the authorities of section 3005(g) of the Solid Waste Disposal Act to issue a permit for testing and evaluation which receives support under this section.

"(c) CONTRACTS AND GRANTS.—The Secretary may enter into contracts and cooperative agreements with, and make grants to, universities, public and private profit and nonprofit entities, and other persons to carry out the research, development, and demonstration authorized under this section. Such contracts may be entered into only to the extent that appropriated funds are available for that purpose.

**"(d) INFORMATION COLLECTION AND DISSEMINATION.—**

"(1) IN GENERAL.—The Secretary shall develop, collect, evaluate, and disseminate information related to the use (or potential use) of the treatment, disposal, and management technologies that are researched, developed, and demonstrated under this section.

"(2) ROLE OF EPA.—The functions of the Secretary under paragraph (1) shall be carried out in cooperation and consultation with the Administrator.

**"SEC. 153. ENVIRONMENTAL RESTORATION TRANSFER ACCOUNT.**

"(a) ESTABLISHMENT OF TRANSFER ACCOUNT.—

"(1) ESTABLISHMENT.—There is hereby established in the Department of Defense an account to be known as the 'Defense Environmental Restoration Account' (hereinafter in this section referred to as the 'transfer account'). All sums appropriated to carry out the functions of the Secretary relating to environmental restoration under this or any other Act shall be appropriated to the transfer account.

"(2) REQUIREMENT OF AUTHORIZATION OF APPROPRIATIONS.—Effective beginning with fiscal year 1987, no funds may be appropriated to the transfer account unless such sums have been specifically authorized by law.

"(3) AVAILABILITY OF FUNDS IN TRANSFER ACCOUNT.—Amounts appropriated to the transfer account shall remain available until transferred under subsection (b).

"(b) AUTHORITY TO TRANSFER TO OTHER DOD ACCOUNTS.—Amounts in the transfer account shall be available to be transferred by the Secretary to any other appropriation account or fund of the Department for obligation from that account or fund. Funds so transferred shall be merged and available for the same purposes and for the same period as the account or fund to which transferred.

"(c) OBLIGATION OF TRANSFERRED AMOUNTS.—Funds transferred under subsection (b) may only be obligated or expended from the account or fund to which transferred in order to carry out the functions of the Secretary under this Act or environmental restoration functions under any other Act.

"(d) BUDGET REPORTS.—In proposing the Budget for any fiscal year pursuant to section 1105 of title 31, the President shall set forth separately the amount requested for environmental restoration programs of the



Department of Defense under this or any other Act.

"(e) AMOUNTS RECOVERED UNDER SUBTITLE A.—Amounts recovered under section 107 for response actions of the Secretary shall be credited to the transfer account.

**"SEC. 154. WIDELY USED HAZARDOUS SUBSTANCES.**

"(a) NOTICE TO ATSDR.—

"(1) IN GENERAL.—The Secretary shall notify the Administrator of the Agency of Toxic Substances and Disease Registry established under section 104(i) of the hazardous substances which the Secretary determines to be the most widely used unregulated hazardous substances at facilities under his administrative jurisdiction. The notification shall be of not less than the 25 most widely used such substances.

"(2) DEFINITION.—For the purposes of this subsection, the term 'unregulated hazardous substance' means a hazardous substance—

"(A) for which no standard is in effect under the Toxic Substances Control Act, the Safe Drinking Water Act, the Clean Air Act, or the Clean Water Act; and

"(B) for which no water quality criteria are in effect under any provision of the Clean Water Act.

"(b) TOXICOLOGICAL PROFILES.—The Administrator of the Agency for Toxic Substances and Disease Registry shall take such steps as necessary to ensure the timely preparation of toxicological profiles of each of the substances that the Administrator is notified of under subsection (a). The Secretary shall transfer to such Agency such toxicological data and such sums as may be necessary for the Agency to prepare the profiles of such substances. The profiles on such substances shall include each of the following:

"(1) The examination, summary, and interpretation of available toxicological information and epidemiologic evaluations on a hazardous substance in order to ascertain the levels of significant human exposure for the substance and the associated acute, subacute, and chronic health effects.

"(2) A determination of whether adequate information on the health effects of each substance is available or in the process of development to determine levels of exposure which present a significant risk to human health of acute, subacute, and chronic health effects.

"(c) HEALTH ADVISORIES.—

"(1) PREPARATION.—At the request of the Secretary, the Administrator shall in a timely manner prepare health advisories on hazardous substances. Such an advisory shall be prepared on each hazardous substance—

"(A) for which no advisory exists;

"(B) which is found to threaten drinking water; and

"(C) which is emanating from facilities under the administrative jurisdiction of the Secretary.

"(2) CONTENT OF HEALTH ADVISORIES.—Such health advisories shall provide specific advice on the levels of contaminants in drinking water at which adverse health effects would not be anticipated and which include a margin of safety so as to protect the most sensitive members of the population at risk. The advisories shall provide data on 1-day, 10-day, and longer-term exposure periods where available toxicological data exist.

"(3) TRANSFER OF NECESSARY DATA.—The Secretary shall transfer to the Administrator such toxicological data as are available and may be necessary to prepare such health advisories.

**"SEC. 155. NOTICE OF ENVIRONMENTAL RESTORATION ACTIVITIES**

"(a) EXPEDITED NOTICE.—The Secretary shall take such actions as necessary to ensure that the regional offices of the Environmental Protection Agency and appropriate State and local authorities for the State in which a facility under the Secretary's administrative jurisdiction is located receive prompt notice of each of the following:

"(1) The discovery of releases or threatened releases of hazardous substances at the facility.

"(2) The extent of the threat to public health and the environment which may be associated with any such release or threatened release.

"(3) Proposals made by the Secretary to carry out response actions with respect to any such release or threatened release.

"(4) The initiation of any response action with respect to such release or threatened release and the commencement of each distinct phase of such activities.

"(b) COMMENT BY EPA AND STATE AND LOCAL AUTHORITIES.—

"(1) RELEASE NOTICES.—The Secretary shall ensure that the Administrator and appropriate State and local officials have an adequate opportunity to comment on notices under paragraphs (1) and (2) of subsection (a).

"(2) PROPOSALS FOR RESPONSE ACTIONS.—The Secretary shall require that an adequate opportunity for timely review and comment be afforded to the Administrator and to appropriate State and local officials after making a proposal referred to in subsection (a)(3) and before undertaking an activity or action referred to in subsection (a)(4). The preceding sentence shall not apply if the action is an emergency removal taken because of imminent and substantial endangerment to human health or the environment and consultation would be impractical.

"(c) TECHNICAL REVIEW COMMITTEE.—Whenever possible and practical, the Secretary shall establish a technical review committee to review and comment on Department of Defense actions and proposed actions with respect to releases or threatened releases of hazardous substances at installations. Members of any such committee shall include at least one representative of the Secretary, the Administrator, and appropriate State and local authorities and shall include a public representative of the community involved.

**"SEC. 156. COMPLIANCE WITH NATIONAL ENVIRONMENTAL POLICY ACT.**

"Removal or remedial actions selected or taken pursuant to this subtitle or secured under section 106 constitute fulfillment of the requirements of section 102 of the National Environmental Policy Act of 1969 (Public Law 91-190, 83 Stat. 852).

**"SEC. 157. ANNUAL REPORT TO CONGRESS.**

"(a) REPORT ON PROGRESS IN IMPLEMENTATION.—The Secretary shall furnish an annual report to the Congress for each fiscal year which commences after the date of the enactment of this Act. The report shall describe the progress made by the Secretary during the fiscal year in implementing the requirements of this Act.

"(b) MATTERS TO BE INCLUDED.—The report under this section shall include the following:

"(1) A statement for each facility under the administrative jurisdiction of the Secretary of the number of individual facilities at such installation at which a hazardous substance has been identified.

"(2) The status of response actions contemplated or undertaken at each such facility.

"(3) The specific cost estimates and budgetary proposals involving response actions contemplated or undertaken at each such facility.

**"SEC. 158. MILITARY CONSTRUCTION FOR RESPONSE ACTIONS.**

"(a) AUTHORITY.—Subject to subsection (b), the Secretary may carry out a military construction project not otherwise authorized by law if necessary to carry out a response action under this Act.

"(b) CONGRESSIONAL NOTICE-AND-WAIT.—

"(1) NOTICE TO CONGRESS.—When a decision is made to carry out a military construction project under this section, the Secretary shall submit a report in writing to the appropriate committees of Congress on that decision. Each such report shall include—

"(A) the justification for the project and the current estimate of the cost of the project; and

"(B) the justification for carrying out the project under this section.

"(2) OVERSIGHT PERIOD.—The project may then be carried out only after—

"(A) the end of the 21-day period beginning on the date the notification is received by those committees; or

"(B) each such committee approves the project, if the committees approve the project before the end of that period.

**"SEC. 159. DEFINITIONS.**

"As used in this subtitle:

"(1) SECRETARY.—The term 'Secretary' means the Secretary of Defense.

"(2) ADMINISTRATIVE JURISDICTION OF THE SECRETARY.—The term 'administrative jurisdiction of the Secretary' includes the administrative jurisdiction of the Secretary of Defense and the Secretaries of the military departments."

**[AMENDMENTS RELATING TO FEDERAL FACILITIES]**

Page 87, line 11, after the period, insert the following new sentence: "Nothing in this section shall be construed to affect the liability of any person or entity under sections 106 and 107."

Page 87, line 14, strike out "procedures".

Page 88, line 1, strike out "procedures".

Page 88, line 13, after the period insert the following new sentence: "This subsection shall not apply to the selection of response action where a State standards which is more protective of human health and the environment may be applicable in accordance with section 121(k)."

Page 88, strike lines 14 through 20.

Page 92, lines 21 and 22, strike out ", including construction design".

Page 93, strike out lines 3 through 5.

Page 93, after line 21, insert the following new paragraph:

"(5) ACTION BY OTHER PARTIES.—If the Administrator, in consultation with the head of the relevant department, agency, or instrumentality of the United States, determines that RIFS or remedial action will be done properly at the Federal facility by another potentially responsible party within the deadlines provided in paragraphs (1), (2), and (3) of this subsection, the Administrator may enter into an agreement with such party providing for assumption of the responsibilities set forth in those paragraphs. Following approval of the agreement by the Attorney General, the agreement shall be entered in the appropriate

United States district court as a consent decree under section 106 of this Act."

Page 94, line 1, strike out "Administrator" and insert "President" in lieu thereof.

Page 94, line 17, insert ", to the extent such information is reasonably available" after "place" and before the period.

Page 95, line 10, insert ", to the extent such information is reasonably available," after "shall contain".

Page 95, line 23, strike out the period and closing quotation marks.

Page 95, after line 23, insert the following new subsections:

"(j) **FEDERAL AGENCY SETTLEMENTS.**—The head of each department, agency, or instrumentality or his designee may consider, compromise, and settle any claim or demand under this Act arising out of activities of his agency, in accordance with regulations prescribed by the Attorney General. Any award, compromise, or settlement in excess of \$25,000 shall be made only with the prior written approval of the Attorney General or his designee. Any such award, compromise, or settlement shall be paid by the agency concerned out of appropriations available to that agency. The acceptance of any payment under this paragraph shall be final and conclusive, and shall constitute a complete release of any claim under this Act against the United States and against the employees of the United States whose acts or omissions gave rise to the claim or demand, by reason of the same subject matter.

"(k) **NATIONAL SECURITY.**—

"(1) **SITE SPECIFIC PRESIDENTIAL ORDERS.**—The President may issue such orders regarding response actions at any specified site or facility of the Department of Energy or the Department of Defense as may be necessary to protect the national security interests of the United States at that site or facility. Such orders may include, where necessary to protect such interests, an exemption from any requirement contained in this title or under title III of the Superfund Amendments of 1985 with respect to the site or facility concerned. The President shall notify the Committees on Armed Services and Appropriations of the House of Representatives and the Senate within 30 days of the issuance of an order under this paragraph providing for any such exemption. Such notification shall include a statement of the reasons for the granting of the exemption. It is the intention of the Congress that whenever a waiver is issued under this paragraph the response action shall proceed as expeditiously as practicable. The Committees on Armed Services and Appropriations of the House of Representatives and the Senate shall be notified periodically of the progress of any response action with respect to which a waiver has been issued under this paragraph.

"(2) **CLASSIFIED INFORMATION.**—Notwithstanding any other provision of law, all requirements of the Atomic Energy Act and all Executive orders concerning the handling of restricted data and national security information, including 'need to know' requirements, shall be applicable to any grant of access to classified information under the provisions of this Act or under title III of the Superfund Amendments of 1985."

Page 101, beginning on line 5, strike out "private parties" and insert in lieu thereof "potentially responsible parties".

Page 103, strike out "Nothing" and all that follows through line 11.

Page 106, line 13, strike out the period and closing quotation mark.

Page 106, after line 13, insert:

"(k) **ONSITE CLEANUP OF FEDERAL FACILITIES.**—

"(1) **FEDERAL AND STATE PERMITS.**—For any response action undertaken at any facility owned or operated by a department, agency, or instrumentality of the United States, to the extent that such action does not involve the transfer of a hazardous substance or pollutant or contaminant from the facility at which the release or threatened release occurs to an offsite facility, the only permits which may be required are those applicable pursuant to section 118 of the Clean Air Act and section 313(a) of the Federal Water Pollution Control Act. Nothing in the preceding sentence shall affect the authority of any State to impose, after remedial action is completed, any requirement (including a fee) with respect to any operation and maintenance activities required with respect to a hazardous substance or pollutant or contaminant. Nothing in this subsection shall affect any requirement of Federal or State law to the extent that such requirement applies to response action involving the transfer of a hazardous substance from the facility at which the release or threatened release occurs to an offsite facility.

"(2) **REMEDIAL ACTION SELECTED FOR NPL SITES.**—The Administrator shall select the remedial action to be undertaken under this Act at any facility on the National Priorities List that is owned or operated by a department, agency, or instrumentality of the United States. All other remedial actions at facilities owned or operated by a department, agency, or instrumentality of the United States shall be selected pursuant to a memorandum of understanding between the Federal agency established under paragraph (4) of this subsection. The Administrator shall provide an opportunity for appropriate State and local officials to participate in the remedy selection process, including but not limited to an opportunity to review and comment on each proposed remedial action and to consult with the Federal agency and the Administrator concerning each proposed action. The Administrator shall also provide prompt notice and explanation regarding any decision under paragraph (9) on compliance with promulgated State standards or siting requirements, to the State in which the facility is located.

"(3) **STATE STANDARDS.**—Except as provided in paragraph (9), the Federal agency or the Administrator, in selecting remedial action to be undertaken under this Act at any facility that is owned or operated by a department, agency, or instrumentality of the United States, shall require that the remedial action conform to both of the following:

"(A) The promulgated State standard relating to the level or standard for control of the hazardous substance concerned where such standard is more protective of public health or the environment.

"(B) Any State law regarding the siting of a facility.

Such remedial action, including the promulgated State standard or siting requirement, shall be incorporated into the interagency agreement required under section 120(e) of this Act. The State may bring an action to enforce any promulgated State Standard or siting requirement incorporated into an interagency agreement in the United States district court in which the facility is located.

"(4) **NON-NPL SITES.**—with respect to remedial actions to be undertaken under this Act at facilities that are owned or operated by a department, agency, or instrumentality of the United States but that are not on the

National Priorities List, the Federal agency shall enter into a memorandum of understanding with the Administrator. The memorandum of understanding shall provide for each of the following:

"(A) Consultation between the two agencies sufficient to ensure that all proposed remedial actions meet the requirements of this Act and the National Contingency Plan and provide protection of public health and the environment.

"(B) Compliance with any applicable promulgated State standards relating to the level or standard for control of the hazardous substances concerned and any State law regarding the siting of facilities, except as provided in paragraph (9).

"(C) Prompt notice and explanation of each proposed action, including an explanation regarding the decision on compliance with promulgated State standards or siting requirements, to the State in which the facility is located.

"(D) An opportunity for appropriate State and local officials to participate in the remedy selection process, including but not limited to an opportunity to review and comment on each proposed remedial action and to consult with the Federal agency and the Administrator concerning each proposed action.

"(5) **STATE NOTIFICATION.**—Within 30 days after the close of the required comment period on the selected remedy, the State shall notify the Federal agency and the Administrator that it concurs or does not concur with a decision not to comply with a promulgated State standard or siting requirement. If the State concurs in the decision, the remedial action selected by the Federal agency and the Administrator shall proceed through completion. If the State fails to act within 30 days after the close of the comment period such failure shall be deemed concurrence for purposes of this paragraph.

"(6) **STATE PAYMENT.**—If the State notifies the Federal agency and the Administrator within 30 days of the close of the comment period that it does not concur with the decision under paragraph (9) not to comply with a promulgated State standard or siting requirement, and within 90 days after close of the comment period provides assurances deemed adequate by the administration that the State will pay or assure payment of the additional costs attributable to compliance with the State standard or requirement, as determined by the Federal agency and the Administrator, the remedial action shall comply with such State standard or requirement and shall proceed through completion. If the State fails to provide such assurances within 90 days, the remedial action selected by the Federal agency and the Administrator shall proceed through to completion.

"(7) **RECOVERY OF ADDITIONAL COST.**—In an action under section 107 against responsible persons, including any responsible department, agency, or instrumentality of the United States, the State may recover any additional remedial cost incurred by the State under this paragraph, if the State can establish, based on the administrative record, that the determination under paragraph (9) regarding the promulgated State standard or siting requirement was not supported by substantial evidence.

"(8) **ATTORNEY AND WITNESS FEES.**—Whenever a State recovers its additional costs under paragraph (7) from the Federal department, agency, or instrumentality, such department, agency, or instrumentality



shall be liable for the costs incurred by the State in such action, including reasonable attorney and witness fees. Whenever the court upholds a determination under paragraph (9), the State which brought the action under paragraph (7) shall be liable for the costs incurred by the Administrator and the Federal department, agency, or instrumentality in such action, including reasonable attorney and witness fees.

"(9) REJECTION OF STATE STANDARDS.—A remedial action at a facility owned or operated by a department, agency, or instrumentality of the United States that does not conform to a promulgated State standard or siting requirement referred to in paragraph (3) may be selected under this section only if one or both of the following applies:

"(A) The remedial action selected provides protection of public health and of the environment which is substantially equivalent to the protection provided by the State standard and compliance with the promulgated State standard or siting requirement is not consistent with the National Contingency Plan.

"(B) The Administrator determines that the State has not consistently undertaken previous remedial actions (or made plans to undertake future response action at facilities) within that State using the more protective State standards.

Mr. VOLKMER. Mr. Speaker, will the gentleman yield?

Mr. MCCURDY. I am glad to yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Speaker, I commend the gentleman from Oklahoma [Mr. McCurdy] for his remarks in regard to the Superfund.

As the gentleman knows, we are addressing ourselves today to the major issue of reducing the deficits, and another major issue is to try to continue to keep the Government running without divesting the Social Security funds which most of our senior citizens rely on for assistance.

Just so the House knows what the gentleman from Pennsylvania objected to, not permitting the bill to be taken up by the gentleman from Illinois, I would like to read the language that the gentleman from Illinois sought to take up in order to protect that Social Security fund from divestment so our senior citizens would be able to receive their Social Security checks without problems in the future.

The language was that:

During the period beginning on the date of enactment of this act and ending on November 6, 1985, the public debt limit set forth in subsection (b) of section 3101 of title 31, United States Code, shall be increased by an amount determined by the Secretary of the Treasury as necessary to permit the United States to meet its obligations without divesting the Social Security trust funds or any other trust funds established pursuant to Federal law.

It says that no increase shall result in a public debt limit in excess of \$1,840-some billion.

Now, what this means to me, by the gentleman's objecting, is that undoubtedly he does want to divest the Social Security trust funds in order to use those funds for maybe tanks and

planes, et cetera, in this Government. I think our senior citizens should know that later on today we are going to have the opportunity hopefully to bring up a rule that will make this language in order. We are going to need a two-thirds vote, and I would hope that everyone who favors continuing that Social Security fund and providing that it not be used for other Government programs will vote favorably on that rule, because if they do not and we are not able to take it up, then Treasury says that we are going to go ahead and divest the Social Security fund and use it for other things other than Social Security.

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So I would urge everyone to make sure we get a two-thirds vote on the rule when it comes up to make this language in order.

I thank the gentleman for yielding.

Mr. MCCURDY. Mr. Speaker, I thank the gentleman for his statements and comments.

Again, Mr. Speaker, I hope my colleagues and all the Members will review the amendments that I have placed in the RECORD on the environmental restoration provisions of the Superfund bill and ask for their support.

Mr. FAZIO. Mr. Speaker, I rise today to join with my colleague from Oklahoma, Mr. MCCURDY, in introducing an amendment to the Superfund reauthorization bill to accelerate the cleanup of toxic waste sites at military bases and for other purposes relating to the cleanup of other Federal sites.

The amendment that Mr. MCCURDY and I are proposing reflects months of work by the House Armed Services Task Force on Environmental Restoration and several years of my own efforts to investigate and document the weaknesses and strengths of the military's cleanup program. Through hearings by the Appropriations Committee, on which I sit, and several investigations by the General Accounting Office, conducted at my request, we have developed a far greater understanding of the problems associated with the cleanup of toxic dumps at military bases. Again, Mr. Speaker, Mr. MCCURDY's panel has also played an invaluable role in building the record in this regard.

Our investigations, Mr. Speaker, indicate that over the years the Department of Defense has improperly disposed of literally billions of gallons of poisonous chemicals in nearly every State in the Nation. Hazardous pollutants have been found at more than 4,000 sites at some 473 military bases across the country.

From one end of the Nation to the other, the Defense Department has polluted surface and ground water, contaminated drinking water and fouled open waterways.

From McClellan Air Force Base in my own district in Sacramento, where cancer-causing solvents, waste oils, paint thinners, strippers, and sludges have contaminated

the ground water both on and off base, to Homestead Air Force Base in Homestead, FL, where contaminants are thought to threaten major municipal drinking water supplies, the Department of Defense has left its mark on communities.

The fences and barbed wire that surround our military bases cannot contain the poisons that are, as we speak, leaching into the water supply of surrounding communities. It is an intolerable situation that we must squarely address. The Federal Government can no longer clean up its sites to a different standard, under less scrutiny, and without any oversight from Federal and State health and environmental officials. Indeed, the Federal Government should and must set the standard by which all cleanups occur.

The problem of military toxics may be dwarfed by the cleanups that will be required at private sites, if only in sheer numbers. But in a very real sense the struggle to get our Federal property cleaned up is just as important. The Federal Government cannot demand from the private sector what it cannot itself do. We have one set of environmental laws and they should apply to all equally—whether they are the largest Federal agency or the smallest corporation—the laws should be applied in the same manner with the same commitment to protecting the public health and environment.

Mr. Speaker, while the Pentagon has recently made some improvements in its cleanup program, more needs to be done. The amendment we are prepared to offer to the Superfund reauthorization bill incorporates most of the provisions of H.R. 1940, the Defense Environmental Restoration Act of 1985.

Among other things, the amendment:

Requires greater DOD coordination with Federal, State, and local health and environmental authorities. The military will be mandated to coordinate all aspects of the cleanup program—from the identification of any possible contamination to the details of the final, permanent cleanup phase. In addition, as in H.R. 1940, our proposal would require DOD to establish Technical Review Committees or task forces made up of representatives of the military, EPA, local citizens, and State and local regulatory agencies to review DOD cleanup plans.

Requires DOD cleanups to meet any and all State standards for pollutants or contaminants which are more protective of the public health or environment than the applicable Federal standard.

Sets up the mechanisms necessary to ensure that adequate funding will be available to finance the cleanup program. As in H.R. 1940, the amendment sets up a special central account to finance all aspects of the environmental cleanup program, including military construction. Congressional investigations have identified the cumbersome DOD funding process as a major obstacle to an accelerated cleanup effort.

Requires the Agency for Toxic Substances and Disease Registry to generate fundamental health risk assessment data

on the most commonly used DOD contaminants.

Requires DOD to establish a research, development, and demonstration program to develop innovative and cost-effective cleanup technologies. Appropriate research and development is the only way the ultimate price tag of the cleanup program, now expected to cost between \$5 and \$10 billion over the next 10 years, can be reduced.

Requires DOD to seek input from the general public on all cleanup plans. As in H.R. 1940, our amendment would require DOD to publish a notice and brief analysis of all cleanup proposals for all sites, NPL and non-NPL alike, as well as provide the general public with an adequate opportunity to comment on the plans.

Mr. Speaker, our proposal is a very modest but important one. I urge my colleagues to consider it carefully. And once again, Mr. Speaker, I commend the work of Mr. McCURDY and the other members of the task force and urge my colleagues favorable consideration of our proposal.

#### SUITABLE LIVER NEEDED FOR BABY ANDREA LYNN SHIMER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. SAXTON] is recognized for 5 minutes.

Mr. SAXTON. Mr. Speaker, I rise today to bring to your attention a matter of extreme urgency.

Today I have learned of a 2-month-old baby in my district whose life depends on receiving a liver immediately.

Andrea Lynn Shimer, of Hainesport, NJ, was born on September 2 with a liver dysfunction.

She has several weeks—maybe only days—to live unless a suitable liver can be found and transplanted.

The seriousness of finding a liver for Andrea is intensified by the fact that even if a liver can be found, it must be removed and transplanted into Andrea within 8 hours.

Mr. Speaker, Andrea desperately needs a liver of a brain-dead baby; weighing not more than 15 pounds; with type O blood.

If a liver is found in time, Andrea would be the smallest child ever to be successfully transplanted.

Mr. Speaker, I appeal to you and my colleagues to keep Andrea's plight in mind, and to contact Children's Hospital in Philadelphia at 215-596-9100 if you learn of any possible liver donors for Andrea.

#### PROCRASTINATION ON GOLDEN PACIFIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island [Mr. ST GERMAIN] is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, I wish to call to the attention of my colleagues, and to the public at large, a most unfortunate situation concerning the actions of the

Federal Deposit Insurance Corporation, and the ongoing plight of former customers of the Golden Pacific National Bank, in New York's Chinatown, which was closed by Federal regulators on June 21, 1985.

This past summer, the House Banking Committee's Subcommittee on Financial Institutions held hearings on the involvement of the Federal bank regulatory agencies, the Department of Justice, and the FBI, with regard to this bank. On July 31, we heard from several former customers of Golden Pacific who had purchased so-called yellow certificates with the understanding that they were insured by the FDIC. Once the bank was closed, these witnesses experienced considerable personal and family hardship because the FDIC could not decide on whether the CD's were indeed insured and whether the depositors would be reimbursed for their hard-earned funds.

On August 8—6 weeks after the bank was closed—I wrote to the FDIC requesting that the agency expedite their decision-making process on the insurability of these certificates. As of today, I have yet to receive a formal, written response.

On October 16, the FDIC issued a press release informing the public that the agency had asked the U.S. District Court for the Southern District of New York for assistance in deciding on the insurability of these deposits in the form of a lawsuit against the holders of these yellow certificates.

The FDIC's decision to submit this issue to the courts is an extraordinary one, representing a classic case of passing the buck. Remember, determining the insurability of funds falls squarely within the jurisdiction of the FDIC. This action can only result in further uncertainty, given the overloaded dockets of the Federal judiciary, for those former Golden Pacific customers holding yellow certificates, for the Chinese community at large, and for depositors around the country who use a bank believing that it is federally insured. Another unfortunate consequence has been a loss of confidence within the Chinese community in the FDIC and in the banking system in general.

It should also be noted that curious inconsistencies come to mind when comparing the treatment of yellow certificates holders at a small Chinese-run bank with the depositors at the giant Continental Illinois National Bank, where no Federal subsidy was too great and no assistance too expensive.

I sincerely hope that the FDIC, which has always touted its ability to pay off depositors quickly, has not set a precedent in the Golden Pacific case. And, I hope that next time the FDIC will fulfill its responsibilities and not delegate its decisionmaking duties to others. Let us also hope that the U.S. District Court moves more swiftly than our Federal banking agencies.

#### PROBLEMS OF NATION'S THRIFT INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Virginia [Mr. PARRIS] is recognized for 60 minutes.

Mr. PARRIS. Mr. Speaker, on Tuesday of this week I made an extensive series of comments on the floor of the House in regard to the condition of the savings and loan institutions of the United States and Nation's thrift industry generally. I believe it is a matter of critical importance to this Nation. By the same token, Mr. Speaker, I do not believe that it rivals in intensity or immediacy the problem that faces us in dealing with the Nation's deficit; so I will not take my special order today, Mr. Speaker, for the fear that it may adversely influence proceeding with the Deficit Reduction Act in a timely way.

I would expect and hope that I could make those remarks and take that time at an appropriate time early next week.

#### EDUCATION AND TAX REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont [Mr. JEFFORDS] is recognized for 60 minutes.

Mr. JEFFORDS. Mr. Speaker, in our efforts to overhaul the Tax Code, I think we have taken the wrong approach. Our focus has been primarily on revenues—on the balance sheet. So that we can lower tax rates, we have focused our efforts on looking for ways to broaden the tax base. Yet the Tax Code has a function other than merely raising revenues. It serves as a way of stimulating and encouraging activities and programs of benefit to our national well-being. And before we start working on the balance sheet aspect of tax reform, we ought to set out a list of national priorities deserving tax-favored treatment, look at how those priorities could be affected by tax reform proposals, and even consider new ways to use our tax laws to nurture those priorities.

High on that list of priorities should be education. Yet the potential affects of tax reform on education appear to have been overlooked. Perhaps this is because the most direct beneficiaries of education—our Nation's present and future students—have no well-paid, well-heeled lobbyists arguing their cause. The entire Nation, however, is the beneficiary of education. Our future as a world leader and as an international competitor will depend on a well-educated populace.

Because the Internal Revenue Code's effects on education are indirect, it's difficult to pin an exact dollar figure on the loss to education that might result from our tax reform efforts. Currently, various Tax Code provisions provide at least \$15.6 billion in assistance to education. Under the President's tax reform proposal, so-called Treasury II, this figure would



fall to about \$1.5 billion. And under the joint tax staff option under consideration by Ways and Means, assistance to education by way of the Tax Code would fall to about \$4.9 billion. This enormous reduction in assistance to education is not a one-time shot that would affect education during only 1 year. The losses could well last forever.

On August 1, Mr. HAWKINS and I introduced House Resolution 258 to express the sense of the House that education is a national priority and that we should take care in any tax reform effort to retain those tax incentives that facilitate efforts to raise revenues for education and encourage our citizens to plan and save for educational expenses. I now want to discuss in greater depth some of the specific tax measures affecting education.

#### REPEAL OF THE DEDUCTION FOR STATE AND LOCAL TAXES

Currently taxpayers who itemize are allowed to deduct from adjusted gross income State and local income taxes, real property taxes, personal property taxes, and sales taxes. No other taxes are deductible by individuals unless incurred in a business or investment activities.

The President proposed to repeal the deduction altogether.

The Ways and Means staff option calls for repeal of the deduction for State and local sales taxes and personal property taxes. An itemized deduction for income and real property taxes would be allowed equal to the greater of: First, \$1,000—\$500 for unmarried taxpayers; or, second, the amount of such taxes exceeding 5 percent of taxpayer's adjusted gross income.

This is one of the most controversial aspects of the tax reform proposals. In its markup sessions, Ways and Means decided to skip over this provision temporarily and return to it later.

It is impossible to predict with precision exactly how education might be affected if this deduction is either repealed or limited. Proponents of repeal argue that with lower marginal rates, many taxpayers will see a reduction in their Federal taxes that will offset any rise in the real cost of local taxes resulting from repeal of the deduction for State and local taxes. Taxpayers whose Federal tax liabilities remain unchanged or are increased as the result of a tax reform measure, however, might well call for reductions in their State and local taxes and cutbacks in the services they fund.

Education is the single largest area of expenditure for State and local government. In 10 States, the primary source of education funding is the sales tax, which would not be deductible under the Ways and Means staff option. In addition, in recent years several States have passed measures calling for increased sales taxes ear-

marked for education. Part of the sales pitches for such measures was that the Federal Government would share some of the burden for the educational improvements by way of the deduction for State and local taxes.

Non-energy-producing States claim that the proposals to repeal or limit the deduction are biased in favor of resource-rich States that raise substantial amounts of revenue by way of energy severance taxes. These taxes will remain deductible as business taxes. They are ultimately passed on to energy consumers throughout the country.

#### EXCLUSION FOR SCHOLARSHIPS

Under current law, degree candidates at an educational institution can exclude from income amounts received as scholarship or fellowship grants, together with incidental amounts received for expenses of travel, research, clerical help, and equipment. Nondegree candidates can exclude only scholarships and fellowship grants from tax-exempt organizations or governmental organizations, subject to a maximum lifetime exclusion of \$10,800. The exclusion for incidental amounts received by nondegree candidates is unlimited. As a general rule, if scholarship or fellowship awards are disguises for compensation for services, they are taxable, but when teaching, research, or other services are required of all degree candidates, a scholarship or fellowship award calling for such services is excludable. Furthermore, although as a general rule, compensation for services, including future services, is taxable, a special exception applies to Federal scholarship or fellowship programs requiring the recipient to perform future services as a Federal employee; amounts received pursuant to such programs are excludable.

The President proposed to allow the exclusion for amounts received as scholarships and fellowship grants by degree candidates only to the extent that such amounts were required to be spent on tuition and equipment for courses of instruction. Amounts received for room and board would have to be included in income. Degree candidates would not be permitted to exclude any amounts for incidental expenses—travel, research, clerical help, equipment. Under the President's proposal the exclusion for nondegree candidates would be limited to amounts received as reimbursements for incidental expenses. The President also called for repeal of the special rules concerning performance of future services as a Federal employee and compensation for services required of all degree candidates.

The reasons put forward for these changes are that scholarships and fellowship grants confer a benefit on recipients that should be taxed as income. To include the full amount of

a scholarship in income might create hardships for many scholarship recipients, who are often chosen on the basis of need and who do not have the resources to pay taxes on scholarship income. Still, the full exclusion of these benefits from income is not fair to other taxpayers who must pay for education with earnings that are subject to tax.

The Ways and Means staff option provision regarding scholarships, which the committee has approved in its markup session, is generally the same as the President's plan. It does not permit exclusion of incidental expenses of nondegree candidates; but such amounts are usually deductible above the line, by nonitemizers as well as itemizers, as business expenses.

#### CHARITABLE CONTRIBUTIONS

Under current law, nonitemizing taxpayers may deduct charitable contributions, in addition to taking the standard deduction [ZBA]. For 1985, 50 percent of such contributions are deductible. For 1986, the full amount of such contributions will be deductible. This deduction is scheduled to terminate for tax years after 1986.

The President proposed to repeal the nonitemizer charitable deduction for all contributions made after 1985—1 year earlier than the scheduled termination. He argues that reasonable amounts representing deductions are included in the zero bracket amount—standard deduction. Allowing a deduction for charitable deductions by nonitemizers in effect creates a double deduction for such contributions. In addition, the President says that this provision creates administrative burdens. It is difficult for the IRS to monitor or verify small donations to countless charities, and the deduction gives rise to abuse. Opponents of the President's measure have argued that without such a provision, the law gives no incentives to charitable gifts to nonitemizers. Moreover, under the President's plan, many more people would not itemize, thus charitable deductions could well decline.

Repeal of this provision could have a serious impact on charitable gifts to colleges. The Ways and Means staff option was identical to the President's plan. On October 15, however, the committee voted to make permanent the charitable deduction for nonitemizers.

#### INCLUSION IN MINIMUM TAX BASE OF APPRECIATED PORTION OF GIFTS OF PROPERTY

Taxpayers with incomes of \$50,000 whose taxable incomes are substantially reduced by certain items of tax preference must pay an alternative minimum tax if the minimum tax exceeds their regular tax liabilities.

The alternative minimum tax is figured by adding to adjusted gross income the amount of specified tax preference items and then subtracting

certain itemized deductions and an exemption—of \$40,000. The balance is subject to a flat 20-percent tax. Included in the eight tax preference items are accelerated depreciation—in excess of depreciation using the straight line method—and capital gains deductions.

The President's plan calls for inclusion as a tax preference item of the appreciation inherent in charitable gifts of property. If, for example, a taxpayer purchased stocks for \$10,000 that are now worth \$100,000, he can donate those stocks to a college and take a deduction equal to the property's fair market value—\$100,000. The President's proposal would require that the appreciation of \$90,000 be treated as a tax preference item, which will be a part of the alternative minimum tax base. The Ways and Means staff option tracks the President's plan. The minimum tax rate would be raised to 25 percent.

Colleges and universities believe that this provision would substantially raise the cost of giving for donors of large gifts on whom colleges and universities are particularly dependent.

#### INCENTIVES FOR RESEARCH AND DEVELOPMENT

The Economic Recovery Tax Act [ERTA] of 1981 included a temporary tax credit for investment in qualified research and development. A credit is allowed by determining the average of R&D expenditures by a company during the preceding 3 years. A direct credit equal to 25 percent of expenditures in excess of that average is given. A special rule permits the credit to apply to 65 percent of corporate expenditures for basic research by a college, university or qualified research organization. The credit expires December 31, 1985.

The President has proposed to extend the credit for 3 years, but to make grants for basic research ineligible for the credit. The definition of qualified research would be revised to limit the credit to research activities involving a process of experimentation intended to result in technological innovations in products and production processes.

The Ways and Means staff option similarly proposes to clarify through committee report language the definitions of research and experimentation. Ineligible activities would be those involving little or no innovation or experimentation such as those for style, cosmetic, or seasonal design changes; routine testing and data collection; management and marketing studies; and routine development of internal-use computer software. In addition, rental payments for the use of property used in conjunction with research—other than payments for the use of computer time—would be ineligible for the credit. Part of the credit, however, would be a tax preference item included in the minimum tax base.

#### TAX EXEMPT BONDS

Student loan bonds. Tax-exempt bonds may be issued under current law to finance educational and related expenses by nonprofit corporations or public agencies or instrumentalities of a State. The President proposed to deny tax exemption to the interest on such bonds. The Ways and Means staff option similarly provides for no exemption from tax. The staff option, however, allows for refundings of bonds issued before November 1, 1986 if the maturity date of the refunding bonds does not postdate the maturity of the refunded bonds.

Tax-exempt bonds for colleges. Under current law, interest on bonds of nonprofit organizations (such as private colleges and nonprofit hospitals) are tax-exempt. The President's plan proposes to deny tax exemptions for these bonds.

The Ways and Means staff option would allow tax-exempt bonds for nonprofit organizations for activities directly related to the purpose of the organization. The aggregate amount of outstanding bonds of which each organization was a beneficiary could not exceed \$40 million. All projects funded with tax-exempt bonds would have to be owned by the organization.

General restriction on tax exemption. The President proposed to tax State and local government bonds if more than 1 percent of the bond proceeds were used by any person or group other than a governmental unit. Use of bond-financed property is treated as use of bond proceeds. Use of tax-exempt financed facilities by a non-governmental person would be permissible if the facilities were available for use by the general public on the same basis.

The Ways and Means staff option would liberalize the 1 percent rule, permitting an amount of governmental bond proceeds, equal to the lesser of 5 percent of proceeds or \$5 million, to be used by persons other than a State or local government.

Under the staff option, governments could continue to issue tax-exempt bonds to finance activities such as schools and government buildings. The provision, however, would appear to stifle any innovative joint public-private cooperation in conjunction with the construction or operation of such buildings.

Advance refunding. School districts or municipalities that have issued tax-exempt bonds may, in advance of the call date of the bonds, issue refunding bonds. The proceeds of these refunding bonds, issued at lower interest rates, are invested in Federal securities, the proceeds of which pay off the earlier bonds. The school district or municipality has thus restructured its debt at a lower interest rate. The President's reform proposal would end the tax exemption for the refunding

bonds unless the refunded bonds were immediately redeemed. The Ways and Means staff option is similar, but it would permit a 30-day period from issuance of the refunding bonds in which to redeem the refunded bonds.

#### EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE

Section 127 of the Internal Revenue Code currently provides that an employee need not report as income amounts paid by this employer for educational assistance to the employee. The assistance must be provided pursuant to a nondiscriminatory plan; the assistance cannot relate to hobbies, games, or sports. The exclusion for educational assistance is set to expire as of December 31, 1985. Educational assistance can relate to the employee's job, to training for a new job, to basic skills like reading and writing. Conceivably, the education could be unrelated to the employee's job. In the absence of section 127, employees can take an above-the-line deduction for educational expenses that they pay if the expenses maintain or improve job skills, but not if the training qualifies the employee for a new trade or business or if it relates to basic skills (like reading or speaking English).

The President proposed to make the exclusion a permanent part of the Code. He also proposed to drop the current law's annual limit of \$5,000 on the amount of educational assistance that can be excluded. The Ways and Means staff option proposes to allow the exclusion to expire.

#### INCOME SHIFTING

One method that some parents use to save for children's college expenses is a transfer of money or income-producing assets to a child. Income earned by the child from the transferred assets is generally taxed at a rate lower than the parents' rate.

The President proposed to tax income of children under 14 at the same marginal rate as their parents. This would apply to income attributable to property received from parents in excess of the standard deduction. The child's tax liability on such income would be equal to the additional tax his parents would have paid if the income were added to the amount reported on their return. This provision would require segregation of accounts to make it possible to determine whether income was derived from assets transferred from parents or from other sources.

The Ways and Means staff option would apply the new rules to all children claimed as dependents, regardless of whether their income is derived from assets transferred from their parents. The provision would apply to unearned income (income other than salary or wages) in excess of \$3,000.

#### "CLIFFORD" (NONGRANTOR) TRUSTS

The rules regarding taxation of trust income are complex. If the grantor of



a trust has retained certain statutorily defined interests in the trusts, the income from trust properties is taxed to the grantor, as if the trust had not been created. Nongrantor ("Clifford") trusts are treated as separate taxpayers. Trust income is reported by the trust itself; distributions of trust income are deductible by the trust and included in the income of the beneficiaries.

A trust may qualify as a nongrantor trust even though trust assets may eventually revert to the grantor. (Reversion within 10 years from the date of creation of the trust will render the trust a grantor trust). The provisions regarding taxation of trusts allow high-bracket taxpayers to shift income via a trust to other family members subject to lower marginal rates. Trusts may serve as a vehicle for payment of college expenses.

The President proposed that during the lifetime of the grantor, nongrantor trusts would be taxed to the trust at the grantor's marginal rate, unless the trust instrument requires income to be distributed to or irrevocably set aside for beneficiaries. In computing trust income, only mandatory distributions could be deducted.

Under the Ways and Means staff option, nongrantor trusts would generally be taxed at the top marginal rate, but special rules would permit the use of lower rates where trust beneficiaries are minor children of the grantor.

#### PERSONAL EXEMPTION

Another way in which the Tax Code supports education is by way of the allowance of an exemption for dependent students supported by the taxpayers. The President's plan would make this exemption more generous, raising it to \$2,000. The joint tax staff option raises this to only \$1,500. An increase in this exemption is welcome, but in this day of skyrocketing college costs, it still does not go very far in assisting parents to save for college expenses.

It is difficult, if not impossible, to state with specificity the loss to education that could result if all these tax reform proposals become law. Approximately 40 percent of total State and local governmental expenditures go for education. I have, therefore, attributed to education 40 percent of the revenue loss due to the deduction for State and local taxes. For fiscal 1987, the full deduction for State and local taxes would represent Federal assistance to education of approximately \$13.3 billion. Under the President's plan, this figure would be reduced to zero; and under the Ways and Means staff option, this figure would fall to \$3.2 billion.

Currently, the revenue loss due to the exclusion from income of interest on student loan bonds amounts to \$450 million. This figure will be reduced to zero under both the Presi-

dent's plan and the Ways and Means staff option. The \$110 million in tax expenditures for employer-provided educational assistance will similarly be lost under both the President's plan and the Ways and Means staff option. The exclusion of interest on bonds for private, nonprofit educational institutions now represents a tax expenditure of \$220 million. Under the President's plan, the full amount of this expenditure would be lost. Limiting the exclusion for fellowships and scholarships represents another loss of \$100 million for education. Restrictions on the use of income shifting and Clifford trusts will raise another \$900 million. Again, however, some of that revenue saved will be taken from parents planning for their children's future educational expenses.

The current tax reform effort represents the most sweeping changes in the Internal Revenue Code in over 30 years. It could well be another 30 years before another such effort is underway. It is easy to overlook the effects of tax law on education. The effect on education of changes in our tax laws is not as direct as, for example, the reduction in funding of education programs. The effect is no less real, however. We must be vigilant to assure that we don't sacrifice education to our efforts to curb tax expenditures. The day and age when, because of our Nation's mediocre educational system, we have been labeled "A Nation At Risk"; when we face increasing competition from foreign nations; and when we have increasingly asked States to assume financial burdens the Federal Government once bore is not the time for us to decrease our commitment to education.

In conclusion, if you agree with me that education should continue to have a significant priority in tax expenditures, you can see that neither Treasury II nor the Ways and Means draft does this. We may disagree as to just how these \$15 billion-plus in lost tax expenditures should be used for education. Given the present need for improving our education systems, it seems to me that few would agree that we should slash by about 90 percent our present tax expenditures in this area, loading additional burdens on the State and local governments, and expecting them to make up the difference.

#### TAX EXPENDITURES FOR EDUCATION

(Dollars in billions)

	Current law	President's plan	Joint tax option
40 percent of deduction for State and local taxes	\$13.3	\$0	\$3.2
Exclusion of interest on student loan bonds	.450	0	0
Employer-provided educational assistance	.110	.110	0
Exclusion of interest on bonds for private colleges	.220	0	.220
Exclusion of scholarships	.645	.545	.545

#### TAX EXPENDITURES FOR EDUCATION—Continued

(Dollars in billions)

	Current law	President's plan	Joint tax option
Deductibility of charitable contributions (education)	.910	.905	.910
Total	15.635	1.56	4.875

#### THE COMPETITIVE TIED AID FUND BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. NEAL] is recognized for 10 minutes.

Mr. NEAL. Mr. Speaker, today I am introducing for myself and several other Members, the competitive tied aid fund bill. This legislation would establish a war chest within the Export-Import Bank with which we can combat the unfair and predatory use of tied aid credit—generally known as mixed credits—by our foreign competitors. The Subcommittee on International Finance, Trade, and Monetary Policy, which I chair, has held extensive hearings on tied aid credits, and has considered various proposals for legislation, including those submitted by the administration. On the basis of these hearings, we have concluded that the best approach would embody the features now put forward in this bill.

Before summarizing this proposal, I would like to explain, briefly, the threat to our exports posed by tied aid credits. Most countries support some of their exports with financing supplied by their governments. We have long sought to negotiate limits to this practice, to discipline it, to minimize, by international agreement, the subsidies contained therein. And we have made some very important progress in this direction. The agreements we have reached stipulate minimum interest rates and maximum maturities governments may offer on official export credit. As long as the major industrial countries abide by these agreements, our Export-Import Bank should be able to provide American exporters with competitive financing at tolerable cost.

There is, unfortunately, one major loophole in the Arrangement on Guidelines for Officially Supported Export Credits, the international agreement that governs official export credit. Official export loans with terms more favorable than those permitted under the arrangement are deemed to carry a grant element, which measures, roughly, the portion of the loan that is, in effect, being given away. The more generous the terms, the higher the grant element. Official export credit with a positive grant element—that is, with terms more generous than those established in the arrangement—is called tied aid credit, or, colloquially, mixed credits. The term "mixed credits" derives from the notion that the total package is a mixing of foreign aid, in the form of a grant, with export credit on conventional terms.

As it now stands the arrangement does permit governments to offer tied aid credit to finance their exports, but only if the grant element exceeds 25 percent. Many countries have commenced an aggressive program of tied aid credits with grant elements around 25 percent to 35 percent, which is perfectly in harmony with the arrangement as now written. The OECD predicts that these countries will offer over \$6 billion in tied aid credit in 1985. American exporters cannot, on their own, compete against foreign exporters armed with such tied aid credit, no matter how good our products might be. To compete, our exporters must also be able to offer financing with a similar degree of subsidy.

Tied aid credit can be a useful and legitimate tool for assisting developing countries, but only when it is genuine foreign aid, when it finances appropriate development projects. To be genuine foreign aid it should contain a grant element considerably greater than 25 percent. Tied aid credit with a grant element just above 25 percent is not sufficiently costly, to donor countries, to dissuade them from using it, and abusing it, primarily for commercial purposes. They are tempted to offer it to win export orders for projects that could and should be financed on conventional arrangement terms, or even on commercial terms. This is a thoroughly predacious practice, nothing less than the stealing of potential markets from American exporters.

To put an end to this abuse of tied aid credit, we have been trying to negotiate a reform of the arrangement to ensure that tied aid credit would be granted primarily as bona fide foreign aid for legitimate development purposes. No magic formula can guarantee it would only be so used, but a significant increase in the threshold for tied aid credit could significantly minimize the abuses we are now witnessing. For instance, an agreement to offer only tied aid credits with grant elements greater than 50 percent would impose much greater discipline than the current 25-percent threshold. The more costly it becomes, the more the temptation to use it to steal commercial markets diminishes.

We have, unfortunately, made little progress in negotiations to achieve this objective. The administration reports that a few countries, notably France, supported by Italy, are blocking progress. To move these negotiations forward, we need some new kind of leverage, beyond sweet reason. To that end the administration has proposed legislation to create a war chest, a fund out of which grants can be made to supplement conventional export finance, in effect arming American exporters with the same kind of highly subsidized tied aid credit their competitors are now offering in ever growing amounts. Only when we make it clear to the French, and others, that they can no longer expect to steal our export markets on the cheap will they likely see the wisdom of genuine disarmament in this export credit war.

Two years ago I proposed a similar war chest on mixed credits. My proposal, embodied in the Eximbank reauthorization

legislation of 1983, was passed by the Banking Committee on a virtually straight partyline vote. The administration vigorously opposed any such mixed credits legislation at the time, arguing, in the words of the Assistant Secretary of the Treasury, that "We really cannot expect to eliminate the unfair use of mixed credits by engaging in this practice ourselves." Republican opposition succeeded in eliminating my tied aid credit war chest when the bill was considered on the floor. Instead, we were ultimately forced to accept language on mixed credits sponsored by Senate Republicans. This language sought to establish a tied aid credit program within the Eximbank and AID. But no funds were appropriated for these programs. The Eximbank was expected to grant mixed credits out of the budget Congress sets each year for its direct loan program, even though that program is intended primarily for conventional loans at arrangement rates. To be sure, Exim has the legal authority to offer tied aid credit solely out of its direct loan program. To do so, it need only make a loan with an extremely low interest rate, well below the arrangement minimum. But, in so doing, the Bank will necessarily lose a lot of money. Unless Congress appropriates the funds to cover those losses, they will eat into the Bank's capital base, depleting it to the point where the Bank would become insolvent and have to seek an appropriation of new capital from the Congress. The appropriation of funds specifically to cover the losses Exim would otherwise suffer by granting tied aid credit was the keystone of my 1983 proposal, and was strenuously resisted by the administration at that time. Today it is the keystone of their new war chest proposal. I welcome their belated conversion, and only wish we had not lost 2 years in a stalemate on this issue.

Hearings in my subcommittee have revealed a fairly wide and bipartisan sentiment to act on some kind of tied aid credit war chest. Despite an emerging consensus on the overall objective, however, some disagreement remains on the structure and details.

The administration proposes lodging the war chest in the Department of the Treasury, under the sole control and discretion of the Secretary. And it proposes abolishing the existing language we adopted in 1983. Repealing that language would wipe out the mixed credits program created within AID. The administration's bill would dedicate the war chest to an aggressive, even predatory attack of our own on the export markets, actual and potential, of those countries that abuse tied aid credits for commercial purposes and block negotiations to eliminate those abuses. Clearly, its war chest would not be an all-purpose fund for the relief of any U.S. exporter facing tied aid credit competition. It would be highly targeted and selective. Its impact on negotiations would be the sole criterion for its use. And it would expire after 2 years.

The legislation I introduce today would have substantially the same purpose as the

administration's bill, but is structured somewhat differently. It would not touch the existing tied aid credits language, embedded in the Trade and Development Enhancement Act of 1983. It would, thus, leave the AID program in place, able to make whatever contribution it can, given the budget resources Congress makes available through AID appropriations.

My bill would lodge the fund in the Eximbank, under the control of the Bank's Board, not the Secretary of the Treasury. Treasury's persistent opposition to mixed credits, prior to its recent about-face, has undercut its credibility on this issue. Despite its belated conversion, many do not believe it will really use a mixed credits war chest very aggressively. Moreover, it does not have any direct and actual experience with financing exports, just a broad policy-setting role with respect to international negotiations on export credit issues. Thus, it seems most appropriate to entrust the agency that actually finances exports with the administration of this fund, subject to consultations with the Treasury Department to ensure it is used in harmony with our negotiating objectives.

I agree with the main policy criteria spelled out in the administration's war chest proposal. It should be used primarily to promote our negotiating objectives, which means it should be used aggressively but selectively, targeted against those countries that most egregiously tied aid credit for commercial purposes or that block progress in negotiating greater discipline over mixed credits. This primary, aggressive purpose can and should encompass the initiating of tied aid credit offers in markets where they can undercut, in the most painful and damaging fashion, the exports of countries we intend to target, France being foremost among them. My bill retains that purpose as the primary objective of the Competitive Tied Aid Fund. But I think it is also appropriate to set out a secondary, more defensive purpose. This fund should be available to match any tied aid credit competition American exporters face, provided that matching does not, in the opinion of the Board, detract from its primary, aggressive use.

Finally, my bill would effectively terminate this war chest only upon a Presidential declaration that our negotiating objectives have been achieved.

I ask that a section-by-section analysis of the competitive tied aid fund bill be printed in the RECORD.

Section 1. Title of the bill—"Competitive Tied Aid Fund Bill".

Section 2. (a) General findings concerning the use and adverse impact of tied and partially untied aid credits offered by other countries. Finds that the establishment of a Competitive Tied Aid Fund will facilitate negotiations to eliminate the exploitation of tied aid credit for commercial purposes and protect American exporters facing such unfair and predacious competition.

(b) The Competitive Tied Aid Fund will be established in the Export-Import Bank. It will be used to make grants to supplement conventional export credit. The primary purpose of this Fund will be offensive and



targeted against countries that abuse tied aid credits for commercial purposes or block negotiations to eliminate such abuse. EXIM will consult with the Secretary of Treasury in determining when, where, and how to utilize this offensive weapon. The secondary purpose of this Fund will be defensive and matching, to protect American exporters competing against any foreign aid credits. EXIM may use the Fund for this secondary purpose as long as this use does not significantly impair its use for its primary purpose.

(c) Definition of tied or partially untied aid credit as official export credit with a positive grant element which is tied to the procurement of goods in the donor country, in the case of tied aid credit, or to the procurement of goods from a restricted number of countries, in the case of partially untied aid credit.

(d) Authorizes appropriations of \$300 million for the Competitive Tied Aid Fund, without fiscal year limitation, and provides that funds so appropriated will not be available for expenditure if the President declares they are no longer needed to achieve the primary purpose of the Fund.

Section 3. Includes loans supplemented by grants from the Competitive Tied Aid Fund among the categories of loans for which the Eximbank must issue a report to the Congress prior to final approval.

#### BAD OLD BILLS—BOB'S

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DELAY] is recognized for 60 minutes.

Mr. DELAY. Mr. Speaker, before I was elected to Congress, I served for 6 years in the Texas Legislature. During that time, I saw a number of bills come down the pike. And in the Texas Legislature we had an expression for some of those bills. We called them BOB'S—that stood for Bad Old Bills. House Resolution 1616, the Labor Management Notification and Consultation Act of 1985 is the biggest BOB I've ever seen.

Let me hit the highlights of the bill. Passage of H.R. 1616 or any other similar legislation would severely hamper any American business with 50 or more employees. The language in this bill will jeopardize job stability in this country by unduly restricting business' ability to compete. It is not merely a "simple notice bill" as its proponents claim. Rather, it is a series of complex restraints on business which can block plant closings or layoffs altogether. Restrictions contained in H.R. 1616 would paralyze an employer's ability to make the kinds of decisions necessary to compete in the marketplace. The most ironic aspect of this legislation is that if it passes and business cannot compete, then security, which is supposedly the central goal of this legislation, will cease to be a problem because there won't be any jobs left to secure. As the owner of a small pest control company, I can't imagine living under the provisions of this bill. Can you imagine having to ask permission from the Federal Gov-

ernment before you can layoff employees or close an unprofitable plant? If that isn't socialism, I don't know what is. This is not a bill we can afford to compromise on. No amount of negotiating with the supporters of this bill can change the fact that it represents the beginning of a socioindustrial policy. It must be killed.

Plant closings are not a new phenomenon. Because of economic conditions facing the Nation in the early 1980's, conditions which for the most part were beyond the control of management or labor, the problem of plant closings took on greater significance than in the past. As markets and consumer preferences shifted, and as world competition intensified, companies and sometimes entire industries have had to adapt to the new circumstances in which they found themselves. The response to the changing realities of the marketplace necessarily resulted in revised corporate strategies and, in some cases, disinvestment in outmoded and/or uncompetitive facilities and industries. Even though the economic and job outlook is considerably better today than it was in 1980, the readjustment process continues as American industry fights for its place in world markets with productivity and product quality improvements.

The closing of a plant is an event which no one takes lightly. American industry is well aware of the hardships that plant closings can cause, not only for employees, but for managers and supervisors as well, and also for the communities in which such plants are located. In most situations a plant is closed only after many months or even years of uneconomical operation. Often its machinery, or even its product, is outmoded. Frequently, a plant is closed because of the need to consolidate operations, because a new source of raw materials becomes available elsewhere, or because of a geographical shift among its customers. Normally, the decision to close is based on a variety of factors rather than one or two. It is rare that the decision is simple, and it is never taken lightly.

Nevertheless, plant closings are a fact of life, and we are kidding ourselves if we think that they can be eliminated by the passage of legislation. Certainly it is constructive to examine the causes of plant closings and to consider ways to diminish the personal and community hardships which plant closings can cause. However, each plant closing situation tends to be unique and there is no single remedy which could possibly avoid plant closings altogether. The solution for plant closings never can be to simply forbid them or to make closing so impractical and onerous that company decision makers will opt artificially to perpetuate unprofitable businesses or operations. Such solutions can only lead to further uncompetitiveness

and loss of vitality which, in the long run, will precipitate even larger scale business failures.

In view of these general considerations—the facts of economic life—I am opposed to H.R. 1616. A review of its provisions convinces me that, despite its title, H.R. 1616 is not merely a "notification and consultation" bill at all. Rather, the bill is designed to interfere with and obstruct, not only plant closings, but a host of other operational changes as well. It is a bill which will discourage plant closings and other operational changes by making them so risky and time consuming that managers will opt to forgo them in favor of the business-as-usual approach to noncompetitive management. The bill's short sighted provisions put a premium on temporary job security at the expense of long-term economic viability, the latter being the only sure way to promote true economic stability and job security for workers.

By its terms, H.R. 1616 applies to "any business enterprise that employs 50 or more employees," which includes private sector employers including railroads and airlines and, presumably, State and local governments, and even the Federal Government itself, at least when they are engaged in "any business enterprise."

The bill applies to any "plant closing or permanent layoff," which includes "any change of operations" at any site that "may reasonably be expected to result, during the succeeding 12 months, in an employment loss for 50 or more employees at that site." Thus, it is obvious that the bill's restrictions go well beyond "plant closings" and apply as well to a host of other "change(s) of operations," including work relocation, subcontracting, consolidation of operations, discontinuance of outmoded or unprofitable product lines, and the replacement of antiquated machinery with equipment which is more modern and efficient. Even the sale of a facility to a new plant operator with no net loss of jobs could be considered as a covered "change of operations" if employees were viewed as technically terminating their employment with the seller. In such a case, the bill's provisions would be applicable unless a seller could divine the intentions of potential purchasers and assure that employment losses could not "reasonably be expected."

No such "change of operations" could be implemented without 90 days' notice to a union representing affected employees, or to each affected employee if there is no union, and to the Federal Mediation and Conciliation Service. In fact and reality, substantially more is required. During the 90-day waiting period an employer must be able to show that he has "consulted in

good faith" with the union, and such consultation must be "for the purpose of agreeing to a mutually satisfactory alternative to or modification of such proposal." One wonders how an employer ever could demonstrate the requisite open-mindedness to alternatives when faced with the loss of a vital segment of his factory by fire or the loss of his most important customer or supplier.

The employer would fail in his statutory obligation to consult in good faith unless he is available to consult on alternatives right up until the final day of the notice period. Presumably this is so whether or not there is in fact any realistic alternative to the course proposed by the employer.

During the notice period, an employer does not consult in good faith unless he provides the union with "relevant information" for the union to evaluate the employer's "proposal" or "any alternatives or modifications" suggested by the union—no matter how reasonable or unreasonable as the case may be. Even alternatives not suggested by the union may be subject to this information requirement, so the employer may have a duty to do the union's thinking for it.

It is the job of the Federal Mediation and Conciliation Service to determine whether an employer "has failed to consult in good faith" during the notice period. This role as enforcer is one which is totally foreign to the FMCS, one which it is totally unequipped to handle, and, more over, one which is inconsistent with its traditional mediation role. The FMCS would need an entirely new enforcement staff of investigators, lawyers and, presumably, administrative-law judges to perform this new responsibility. At the moment, the FMCS has two lawyers and no employees in either of the other two groups. Its jealously guarded impartial mediation role would be jeopardized by any new enforcement function. The effect would be much like having National Labor Relations Board investigators at the bargaining table.

In any event, and with little legislative guidance or any defined procedures, the FMCS would be left with deciding whether an employer had complied with his good faith consultation obligation. If not, the 90-day waiting period is extended by the FMCS and such extensions are "renewable." Ostensibly, the 90-day notice period could be shortened by the FMCS, but only if it determines that "unavoidable business circumstances" require shortening. In such a case, the FMCS will specify "the date the employer is permitted" to make the change as proposed.

As anyone can see, H.R. 1616 is far from a mere "notice and consultation" bill. Through consultation requirements which lend themselves to tacti-

cal maneuvering and gamesmanship and government involvement in the consultation process, a vast array of business decisions will be postponed well beyond any 90-day notice period. Without doubt, the bill's cumbersome and indefinite consultation requirements will introduce substantial uncertainties and delays into the decisionmaking process.

Moreover, the notice and consultation requirements of H.R. 1616 are far from benign. Substantial financial risks and penalties are introduced into the decisionmaking equation. If after a closing or other operational change is implemented, it is later determined that the bill's requirements were violated, the employer is liable "to each employee who suffers" through civil suits brought by individuals and unions for compensatory and punitive damages, attorneys' fees, and costs. The mere threat of such lawsuits would go far to persuade management to forgo needed changes in order to avoid risking penalties and the substantial costs required to defend management decisions.

In addition to damage awards, court-imposed injunctions pose a realistic threat to the implementation of changes of operations. The Secretary of Labor is empowered by section 6 of the bill to seek Federal court injunctions against changes of operations if the Secretary has "reasonable cause to believe" that the bill's requirements have been violated. Such determinations by the Secretary, theretofore uninvolved in the consultation process, are to be made within 10 days—a totally unrealistic timeframe for the investigation of such complex matters.

The net effect of the bill's requirements, procedures, and penalties inevitably will be greater Government and union involvement in business decisionmaking. The risks and uncertainties introduced for business planners by this bill will discourage or postpone changes needed to ensure the long-range vitality of businesses.

A variety of other studies on plant closings are being completed. As Members are not doubt aware, the General Accounting Office is conducting a plant closing study. During the spring of 1986, GAO plans to testify before Congress on plant closings that occurred between 1980 and 1984, as well as layoffs, relocations, and the types of assistance provided workers in affected plants. The Bureau of Labor Statistics has contracted with eight States to identify establishments involved in large-scale layoffs and to track the subsequent work experience of affected workers. This BLS study should be completed by the end of this year. The eight-State BLS study should be completed by the end of the year and the other 42 States' survey will be completed in several years.

Because of the plant closing studies already completed or currently in progress, I believe that there is little to be gained at this time by the creation of a National Commission on Plant Closings and Worker Dislocation, as provided in H.R. 1616. As proposed, this Commission carries with it a good deal of administrative baggage which could best be avoided in the interests of economy. It is difficult to see how the Commission's broad charter and inevitably political character are likely to produce any meaningful product during its suggested 1-year life. I would suggest that it would be better and more economical to consider materials already available and to await the results of studies already in progress.

In summary, I am opposed to H.R. 1616 because I believe that the bill will interfere in a harmful way with important business judgments. Changes of operations not limited to plant closings inevitably will become bogged down in required consultations and Government enforcement proceedings. The bill's notice and consultation procedures are a Trojan horse for managers faced with the difficult decision to close a plant or make fundamental operational changes. From a bill which at first glance may appear merely to provide for notice and consultation, springs a host of procedures and potential liabilities which have the net effect of delaying fundamental operational changes or making them so onerous and unattractive that they will not be pursued.

The end result is a reduction in management's flexibility to manage and failure to promote the efficiency and economy required if American industry is to compete successfully in domestic and foreign markets. In the long run H.R. 1616 would do more to promote plant closings than to prevent them, for its effects clearly are anti-competitive. The bill's complicated restrictions would discourage capital investment in this country and favor the exportation of jobs and investment to foreign countries where such restrictions do not exist.

American industry understands the impact its operational decisions have upon workers and communities alike. I believe that in the vast majority of plant closings, management has acted responsibly toward its employees and host communities. Such obligations, however, must be balanced against the obligations management has to its owners and shareholders, and its duty to promote the wise use of resources and the economic viability of the business. This viability, not the restrictions placed on business by H.R. 1616, is the most effective means of ensuring a sound national economy and lasting job security for workers and managers.



□ 1505

Mr. ARMEY. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I will be glad to yield to the great economist, the gentleman from Texas, doctor, Congressman ARMEY.

Mr. ARMEY. I thank the gentleman for yielding. I have been listening with some interest. I have been aware of this bill and I appreciate the way the gentleman presented this bill. I wonder the extent to which the American people understand, and I would like to see if I have got this right.

According to the scenario the gentleman pointed out, if we pass this bill, and a plant, an industry, or a firm runs into hard times, sales drop off, or indeed even there becomes an obsolescence of their product, that in order for that firm to shut down an obsolete plant, producing a produce for which there may no longer be sales, they must have the permission of the Federal Government.

Mr. DELAY. They must have the permission of the Federal Government, as you very aptly point out.

And I might say in Europe right now, especially in France, this system is in effect, and it is seriously hampering France's ability to create jobs, because if you own a plant and these restrictions are in place, then you cannot, you will not make the decision to go into France to build a plant. You will go somewhere where these restrictions are not.

Mr. ARMEY. I think this is a very important point. The gentleman is a businessman, and obviously you know we do not save, we do not save our money and accumulate resources, borrow and assume risks to make investments for the fun of it. We do so because we seek some earnings on our investment.

It seems to me the obvious and natural thing for any well-informed, intelligent entrepreneur to do, if such a law were to be passed, is not make the investment in the first place since the risks obviously everybody understands. The best thing to do, once you find an investment has been proven to be a bad investment, is to get out of it.

Mr. DELAY. That is exactly right.

Mr. ARMEY. And to back out, but now your escape route would be blocked, not only by the employees or the union, but by the Government as well, or a combination of these forces with, indeed, even the danger of criminal penalties or other suits.

Why in the world would any intelligent, rational businessman invest under those circumstances in any plant whatsoever? I think if I were a French businessman today, I might be seeking some other investment in which to make my investments.

Mr. DELAY. I might also clarify that this could not only just be plants, as we think of huge factories, but we are

talking about any business that has 50 or more employees. That could apply to a supermarket moving across town.

Do you really believe that that supermarket which finds an uneconomic situation in one part of the town and wants to move their market over to the other part of town would want to go through that situation? It would cost jobs and it may even shut the operation down altogether; therefore, not even having the capability of moving those groups from that one closed-down supermarket across town to another supermarket.

Mr. ARMEY. If the gentleman will yield for one final point, I think that at least two of us have been studying this bill and considered its potential impact, and could easily come to the conclusion that this is a grossly inequitable, inefficient, and totally unfair piece of legislation to be considered for a Nation such as ours that was built on the basis of private initiative and private enterprise.

Mr. DELAY. Absolutely. I cannot believe that this is coming before this House, the House that is supposed to stand for the free-market system. You would think that this would come before the British Parliament or in France.

Mr. ARMEY. Or perhaps Yugoslavia or Czechoslovakia. I can imagine that there are many governing bodies that would feel much more prepared to deal with that kind of legislation.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I will be glad to yield to the gentleman from Pennsylvania.

#### ANTIDISINVESTMENT OF SOCIAL SECURITY

Mr. WALKER. I thank the gentleman for yielding and appreciate what he has had to say in his special order, and appreciate the thought and effort that has gone into that special order.

If the gentleman will allow me, I would like for a few moments to try to explain where I think we are in the process here this afternoon, because I think it is important to begin to delineate just exactly what has taken place here as we have bounced issues back and forth this afternoon.

A few moments ago, I objected to a process that was designed by unanimous consent to bring a bill on the floor that would have raised the debt of this country by \$17 billion. It was called the antidisinvestment of Social Security bill. It was, in fact, a debt increase, and it was being done as a way of escaping responsibility for what the House had just done a few minutes before, and that is delayed the process of getting a real debt limit extension passed by taking on what I regard as a totally phoney proposal and sending that to the other body. The hope was, of course, that what we were going to do was to do about three things.

First, pass the act of political sabotage on the floor attempting to sabo-

tage the whole balanced-budget movement. Second, pass a short-term debt limit extension that allowed the Members to catch their planes and wing out of town. And third, put the onus on the other body with the House adjourned to do something about the whole mess.

□ 1520

Well, some of us feel as though this House has some responsibility in this whole process, and that while the act of disinvestment of Social Security is a major concern, the reason why we are up against the wall is in large part because the majority has not given us a clear vote on Gramm-Rudman, up until now.

Still today we could not get a clear vote on the central issue that is facing the country. The fact is that we have until midnight tonight; there could be work done in the Senate; my guess is that if in fact we would pass the rule which is about to be brought to the floor to try once again to bring the \$17 billion debt increase to the floor, if we pass that rule we will move hurriedly, then, toward an adjournment of the House.

Once again what that means is that we will leave town, having left the whole matter up in the air. The chances are that we could have a situation where the Senate would not agree to the bill that we are about to bring out here, but the House would not be in town all weekend long to do anything about that matter.

I think that what we are seeing here is a series of votes set up in a way to try to tell senior citizens that, "We're concerned about you," but in reality is an act designed to simply throw the blame somewhere else rather than assuming the blame on their own.

That is the reason for the objection. I still object to the process that is being run around here that denies clear votes on central issues, and then tries to deflect blame with other issues being brought to the floor under hurry-up procedures.

We have a rule that is coming to the floor here that was literally written in minutes in the House Rules Committee and brought to the floor for consideration. The same people will bring this rule here that a few days ago were telling us about how terrible it was that Gramm-Rudman had only been looked at for 2 weeks. They are now going to bring a bill to the floor and ask us to accept it that has little more than about 20 minutes of consideration.

So I would suggest that if the Members really want to do something toward two things: Protecting Social Security and moving us toward a balanced budget, that what you may want to consider doing is voting against this rule, denying it the two-

thirds vote, and assuring that the House will be in session to try to act on something before we all clear out of town and leave the whole concept of the balanced budget behind us.

I think that the American people are awaiting a vote by this Congress now on the issue of a balanced budget, and the procedure will be very clear here; a vote for the rule is a vote to try to get out of town.

I want to also assure the Members that once we get to the point of a vote on adjournment, that there will likely be a vote there, too, because the real vote on disinvestment is whether or not we vote to pick up and leave town.

If we vote to pick up and leave town, we are voting to disinvest. If we vote to stay, what we are voting to do is to stay here until we get these matters resolved and get them resolved the right way.

The SPEAKER. The gentleman from Texas [Mr. DELAY], I understand has 30 minutes remaining. Will he yield to the House at this particular time so we can go forward with the matter?

Mr. DELAY. Mr. Speaker—

The SPEAKER. The gentleman may take the rest of his time either now or later.

Mr. DELAY. I would like to have just a little bit more time on my special order if I could, Mr. Speaker.

The SPEAKER. The gentleman is recognized.

Mr. DELAY. Mr. Speaker, I yield to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. I thank the gentleman for yielding, and I will not be long, Mr. Speaker, but I do think it is important for all the Members of this House to understand that, as the Speaker once said, very correctly, he has the power of the calendar; he has the power of recognition; in a debate we had once upon a time on bringing up ERA on a very short notice.

Similarly, there are circumstances where the minority is protected; where individual Members are protected. I know it is often difficult for Members on the Democratic side whose party has now been in power in this House for over 30 years to appreciate that when you set up the rules and you set up the committee ratios and you set up the calendar and you decide the rules of the game, that you cannot then turn and complain because we use the rules to protect ourselves.

Now let us look for a minute from our standpoint of what has happened today. I think the Democratic amendment today was a very clever device. It did three things: It moved the date up so radically that it was almost impossible to implement; it took care of certain political allies so they would be happy; and it set up a self-destructive mechanism so that 133 of the 134 liberals who voted against agreeing with

the other body, could nonetheless vote for the Democratic amendment, knowing that the way it is worded it will never, it could never go into law.

It is a very nice piece of work; a clever smokescreen.

You made one point which I simply want to demolish for a minute, and that is the whole question of whether or not setting the date for a fiscal year is a reelection effort. I say it this way: To change the spending patterns of the American Government even under Gramm-Rudman-Mack as originally designed requires that the President in January of the coming year, before the election, has to submit a budget that is more draconian than any budget in modern times.

It requires that the House and the Senate next year, before the election, has to pass a budget which is more draconian than any budget passed in modern times. It ensures that every interest group in America will know, before the election, what the consequences are.

Any argument that says "Oh, let's do it in '86" is in fact an argument by people who do not want to do it all.

Our position is very simple—let me say one last thing about Social Security. Your party sends out letters attacking us when we vote against Social Security and your party sends out letters attacking us when we vote for Social Security. You have found one of a handful of gimmicks that you think are useful and that you cling to in the age of Reagan as a straw to save you from the flood.

We are confident that no matter how we vote this afternoon on Social Security, your party will attack us.

The truth is, if you want to make sure we do not disinvest, you can do it simply: You could agree, as a Speaker who clearly has the power of scheduling could do, to bring up Gramm-Rudman for a straight up-or-down vote now. You could agree to stay in session today, to pass the debt limit. I have a feeling it will come back from the Senate, the other body, with Gramm-Rudman attached to it, and you could agree right now not to adjourn until it has come back and we passed it.

There are many ways we could get clear votes today. The only way we on our side can make the legitimate point as a minority that we object to the way you run this place, we object to the rules you rig, we object to the way you set it up, is to once again use legitimately the rules of this body which require a two-thirds vote to bring up on the same day a rule that comes out.

I hope we defeat the rule; I hope you will agree to stay in session; but if you decide to go home, I can assure you we will do everything we can to make sure that the vote to adjourn today, to have a nice weekend, becomes the vote

to desert senior citizens and not do your job.

I thank the gentleman from Texas [Mr. DELAY].

Mr. DELAY. I thank the gentleman, and I return the balance of my time, Mr. Speaker.

#### PREVENTING THE DISINVESTMENT OF THE SOCIAL SECURITY TRUST FUNDS AND OTHER TRUST FUNDS

Mr. PEPPER, from the Committee on Rules, reported the following privileged resolution (H. Res. 306, Rept. No. 99-353), which was referred to the House Calendar and ordered to be printed:

H. RES. 306

*Resolved*, That upon the adoption of this resolution it shall be in order to consider the bill (H.R. 3669) to prevent the disinvestment of the Social Security Trust Funds and other trust funds, in the House, debate on the bill shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, and the previous question shall be considered as ordered on the bill to final passage without intervening motion except one motion to recommit.

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 306 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House now consider House Resolution 306?

The question was taken.

Mr. LUNGREN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent members.

The vote was taken by electronic device, and there were—yeas 343, nays 77, not voting 14, as follows:

[Roll No. 387]

YEAS—343

Ackerman	Bilirakis	Callahan
Akaka	Boehlert	Carney
Alexander	Boggs	Carper
Anderson	Boland	Carr
Andrews	Boner (TN)	Chandler
Annuzio	Bonior (MI)	Chapman
Anthony	Bonker	Chappell
Applegate	Borski	Clay
Aspin	Bosco	Clinger
Atkins	Boucher	Coelho
AuCoin	Boulter	Coleman (TX)
Barnard	Boxer	Collins
Barnes	Breaux	Conte
Bateman	Brooks	Conyers
Bates	Broomfield	Cooper
Bedell	Brown (CA)	Coughlin
Beilenson	Broyhill	Coyne
Bennett	Bruce	Daniel
Bentley	Bryant	Darden
Berman	Burton (CA)	Daschle
Bevill	Bustamante	Davis
Biaggi	Byron	de la Garza



Dellums  
Derrick  
DeWine  
Dickinson  
Dicks  
Dingell  
Dixon  
Donnelly  
Dorgan (ND)  
Dowdy  
Downey  
Duncan  
Durbine  
Dwyer  
Dymally  
Dyson  
Early  
Eckart (OH)  
Edgar  
Edwards (CA)  
Emerson  
English  
Erdreich  
Evans (IA)  
Evans (IL)  
Fascell  
Fazio  
Feighan  
Flippo  
Florio  
Foglietta  
Foley  
Ford (MI)  
Ford (TN)  
Frank  
Franklin  
Frost  
Fuqua  
Garcia  
Gaydos  
Gejdenson  
Gephardt  
Gibbons  
Gilman  
Glickman  
Gonzalez  
Goodling  
Gordon  
Gradison  
Gray (IL)  
Gray (PA)  
Green  
Guarini  
Gunderson  
Hall (OH)  
Hall, Ralph  
Hamilton  
Hammerschmidt  
Hawkins  
Hayes  
Hefner  
Hendon  
Hertel  
Hillis  
Hopkins  
Horton  
Howard  
Hoyer  
Hubbard  
Huckaby  
Hughes  
Hutto  
Ireland  
Jacobs  
Jeffords  
Jenkins  
Johnson  
Jones (NC)  
Jones (OK)  
Jones (TN)  
Kanjorski  
Kaptur  
Kasich  
Kastenmeier  
Kemp  
Kennelly  
Kildee  
Kindness  
Klaczka  
Kolter  
Kostmayer  
LaFalce  
Lagomarsino

Lantos  
Latta  
Leach (IA)  
Leath (TX)  
Lehman (CA)  
Lehman (FL)  
Leland  
Lent  
Levin (MI)  
Levine (CA)  
Lewis (FL)  
Lipinski  
Livingston  
Lloyd  
Long  
Lott  
Lowry (WA)  
Lujan  
Lukens  
MacKay  
Madigan  
Manton  
Markley  
Martin (IL)  
Martin (NY)  
Martinez  
Matsui  
Mavroules  
Mazzoli  
McCloskey  
McCollum  
McCurdy  
McDade  
McGrath  
McHugh  
McKernan  
McKinney  
Meyers  
Mica  
Michel  
Mikulski  
Miller (CA)  
Miller (OH)  
Mineta  
Mitchell  
Moakley  
Molinaro  
Mollohan  
Montgomery  
Moody  
Moore  
Morrison (CT)  
Morrison (WA)  
Mrazek  
Murphy  
Murtha  
Myers  
Natcher  
Nelson  
Nichols  
Nowak  
O'Brien  
Oakar  
Oberstar  
Obey  
Olin  
Ortiz  
Owens  
Panetta  
Parris  
Pashayan  
Pease  
Penny  
Pepper  
Perkins  
Petri  
Pickle  
Price  
Pursell  
Quillen  
Rahall  
Rangel  
Ray  
Regula  
Reid  
Richardson  
Ridge  
Rinaldo  
Roberts  
Robinson  
Rodino  
Roe  
Roemer

Rogers  
Rose  
Rostenkowski  
Roukema  
Rowland (CT)  
Rowland (GA)  
Roybal  
Russo  
Sabo  
Savage  
Saxton  
Scheuer  
Schneider  
Schroeder  
Schuette  
Schulze  
Schumer  
Seiberling  
Sensenbrenner  
Sharp  
Shaw  
Shelby  
Shuster  
Sikorski  
Sisisky  
Skeen  
Skelton  
Slattery  
Smith (FL)  
Smith (IA)  
Smith (NE)  
Smith (NJ)  
Smith, Robert  
(OR)  
Snowe  
Snyder  
Solarz  
Solomon  
Spence  
Spratt  
St Germain  
Staggers  
Stallings  
Stangeland  
Stark  
Stenholm  
Stokes  
Stratton  
Studds  
Stump  
Swift  
Synar  
Tallion  
Tauke  
Taubin  
Taylor  
Thomas (GA)  
Torres  
Torrice  
Towns  
Traficant  
Traxler  
Udall  
Valentine  
Vander Jagt  
Vento  
Visclosky  
Volkmer  
Walgren  
Watkins  
Waxman  
Weaver  
Weiss  
Wheat  
Whitley  
Whittaker  
Whitten  
Williams  
Wilson  
Wirth  
Wise  
Wolf  
Wolpe  
Wortley  
Wright  
Wyden  
Wylie  
Yates  
Yatron  
Young (AK)  
Young (FL)  
Young (MO)

## NAYS—77

Archer  
Armey  
Bartlett  
Barton  
Bereuter  
Bliley  
Brown (CO)  
Burton (IN)  
Campbell  
Chapple  
Cheney  
Coats  
Cobey  
Coble  
Coleman (MO)  
Combest  
Courter  
Craig  
Crane  
Dannemeyer  
Daub  
DeLay  
DioGuardi  
Dornan (CA)  
Dreier  
Eckert (NY)  
Fawell

Fiedler  
Fields  
Fish  
Frenzel  
Gallo  
Gekas  
Gingrich  
Gregg  
Grotberg  
Hartnett  
Henry  
Hiler  
Hunter  
Hyde  
Kolbe  
Kramer  
Lewis (CA)  
Lightfoot  
Loeffler  
Lowery (CA)  
Lungren  
Mack  
McCain  
McCandless  
McMillan  
Miller (WA)  
Monson

Moorhead  
Nielson  
Oxley  
Packard  
Porter  
Ritter  
Roth  
Rudd  
Schaefer  
Shumway  
Siljander  
Slaughter  
Smith, Denny  
(OR)  
Smith, Robert  
(NH)  
Strang  
Sundquist  
Sweeney  
Swindall  
Thomas (CA)  
Vucanovich  
Walker  
Weber  
Zschau

## NOT VOTING—14

Addabbo  
Badham  
Crockett  
Edwards (OK)  
Fowler

Hansen  
Hatcher  
Hefel  
Holt  
Lundine

Marlenee  
McEwen  
Neal  
Whitehurst

□ 1545

Mr. GOODLING, Mrs. MARTIN of Illinois, and Messrs. HAMMER-SCHMIDT, LUJAN, SAXTON, and PARRIS changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 306.

The result of the vote was announced as above recorded.

The SPEAKER. The gentleman from Florida [Mr. PEPPER] is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes, for the purposes of debate only, to the able gentleman from Ohio [Mr. LATTI], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 306 provides for the consideration of H.R. 3669 in the House. The 1 hour of debate is to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. The rule also provides one motion to recommit.

Mr. Speaker, H.R. 3669 provides for a temporary increase in the public debt limit of \$17 billion, which will allow the Government to function through November 6, 1985. This extension is required to provide the Treasury Department with the necessary funds so that there would be no further disinvestment of surplus of the Social Security and other trust funds, which has already occurred.

As my colleagues are aware, the House and the other body are currently in disagreement over the legislation permanently extending the debt ceiling. The Secretary of the Treasury has announced that without the extension of the debt ceiling we would be forced to disinvest the surpluses of

Social Security and other trust funds, which means that money that would be otherwise be bearing interest in those trust funds will not be bearing interest unless this provision is carried out.

This month's Social Security checks have been already issued. But without this extension, those checks cannot be honored.

H.R. 3669 would permit the Treasury to borrow \$17 billion, as I said, negating the possibility of a further invasion of the trust fund. This short-term extension will allow the two bodies to come to some resolution of the issues that have delayed the passage of the permanent debt ceiling extension.

Mr. Speaker, I add only that this is a very critical matter. If we ever allow invasion of the trust funds, with their sacred character and their meaningful significance, we would jeopardize the heritage of millions and millions of needy people of this country.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from California.

Mr. DANNEMEYER. The gentleman has postulated a premise whereby in order to avoid disinvesting the Social Security Trust Fund we must adopt this.

There is another alternative, is there not, really? Is not the alternative that we should pursue that which would give us a vote on Gramm-Rudman up or down and we would thereby raise the debt limit and avoid the necessity of this temporary step? Is that not the alternative?

Mr. PEPPER. All of us would like an immediate solution to this whole problem. But we rather have to proceed step by step. We have made a lot of progress in the conference that has been held for the last few days. I think there has been commendable dedication on the part of the Representatives of the House and the other body. I know the House task forces have worked hard and have produced a Democratic alternative that we can support with pride and I believe we will. This is a temporary extension to the debt ceiling to protect the Trust Funds during the interval until November 6.

Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. JONES], who is very much aware of this subject.

Mr. JONES of Oklahoma. Mr. Speaker, what we are dealing with is a political issue on what mechanism will be used to go to a balanced budget by 1990 or 1991. All the chairman is asking in this rule is that we not hold hostage the senior citizens of America while we are trying to iron out our differences.

Mr. PEPPER. I thank the gentleman.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a simple case of "the checks are in the mail." The question is whether or not they are going to be honored.

This rule is a very simple rule. You do not have to be an Einstein to understand it. It makes in order a bill that the gentleman from Illinois tried to get on the floor by unanimous consent that would extend until November 6, that is next Wednesday, the debt ceiling that we now have but, in the interim, would permit the increase of \$17 billion so that we do not have to dip into those securities in the Social Security Trust Fund.

As I asked the chairman of the Ways and Means Committee when we were before the rules about this question that seems to have eluded a lot of people, that those securities that are now in the trust fund that would have to be taken out are long-term securities that are in at a higher rate of interest than the securities that would replace them. That would be a tremendous loss to the Social Security Trust Fund.

So this matter has to be considered, in addition to the fact of whether or not those checks are in the mail are going to be honored.

Mr. PEPPER. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I thank the gentleman for yielding.

Mr. Speaker, I just wanted to make the point that we are not only holding Social Security trust funds hostage but we are also holding the civil service retirement trust fund, the military retirement trust fund, the railroad retirement trust fund, the Federal supplemental trust fund, and others, hostage.

So I hope we adopt the rule and not penalize really literally all of the elderly and disabled in this country.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker and my colleagues, first of all, let me make several observations, because earlier in the afternoon the Speaker said there had been an agreement, and what he was talking about was the meeting that we had had in the company of the majority leader and several Members on our side and the majority side, trying earlier to lay out the scenario that might be played out this week-end. It is true, the gentleman from Illinois did agree and say that if we got to that juncture, it would be my judgment, taking all things into account, we would probably have to do this.

The gentleman from Pennsylvania was perfectly within his rights to object, feeling strongly as he does about this issue and the way it plays.

Now, if I might further make an observation. I do not question the mo-

tives of the gentleman from Pennsylvania but just the end result. Yes, by midnight tonight, it would be wonderful if what we have done today is, in my judgment, rejected by the other body, but coming back with an amendment from the other body. But we have no assurance that that can be done by midnight.

I think we would be very offended in this body if all the changes that we made, with all those task forces and all the rest, to so-called Gramm-Rudman-Hollings—we made a number of significant changes to that—and then in what we had proposed to offer later, if given the opportunity, makes additional changes that I think, frankly, are going to be agreed to by a good many on the other side of the aisle. That is why I personally refrained from engaging in the debate earlier on today, because eventually we have got to come together to do something.

So my whole objective here was one of at least giving consideration to the other body having their full opportunity to debate that issue, and knowing that body for the way it does talk endlessly from time to time, that it seemed a bit inconceivable that we could conclude this thing by midnight tonight, in which case then you get the disinvestment automatically of Social Security unless we had done something by way of this action.

So I have no problem personally with the measure that is before us, because eventually we are going to have to raise the debt ceiling.

Now, admittedly, on both sides of the aisle there are folks who have never voted for increasing the debt ceiling. I appreciate that, and I respect them for their views. But eventually a majority of this House is going to have to do that or you all know what the consequences are.

So, personally, I just wanted the Members to know the scenario that was played out earlier and we are at this juncture and I think we will work our will, hopefully.

One other thing. If the other body were to immediately discard what we have sent them and come back with an amendment that essentially embraces what we were taking about here and that were to pass the other body, as it could very well be because the earlier one was passed by 75 to 24, if we were still in session at that time I could have a preferential motion to concur with the Senate amendment at that juncture, and that would be our vote on what you Members would like to have a vote on. It takes preference over going to conference. And if that were defeated, of course, we would then go back into conference. I do not know what and where, but we would have to move again toward some kind of an agreement. But eventually what we are all aiming for here is coming to some kind of an agreement. I think in

the absence of being able to do that, because we know not what the other body is going to do, at least for another couple of hours, until we get some sense of feel, I am certainly going to support the measure that is before us.

□ 1600

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I do not disagree with what the distinguished minority leader said, except that I do not think that he said it as completely as it probably ought to be represented. That is, of course, that we have already voted to disinvest the Social Security funds when we passed the Rostenkowski amendment which we know will not be accepted by the other body. And we know we are going to get something back sooner or later, and the chances are extremely good that after we pass this debt ceiling extension and all pat ourselves on the backs for saving these wonderful trust funds, that that is not going to be accepted by the other body too.

The blunt fact is that the House flunked its challenge when it refused to respond to Gramm-Rudman-Hollings in a decent way and in a sensible way when it accepted the Rostenkowski amendment. That is where we made our mistake.

If the Speaker sends us home after passing this bill, and disinvestment continues, everybody will know of course where the responsibility lies. It is quite clear, in my judgment, we can pass this bill, but do not think you have passed any responsibility on.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, I do not think there is a Member in this body who does not understand the political game that is going on. We want a vote on Gramm-Rudman; that is our request. On the merits, up or down.

The games that are being played are to prevent our side from getting that vote, because the suspicion is on the part of some Members in the body that if this body gets a chance to vote up or down on Gramm-Rudman, it might pass. When it passes, what happens? The foundation is laid for raising the debt limit. And what happens then? We avoid the necessity of disinvesting the Social Security trust funds. All of those checks that were alluded to by my colleague just a short time ago will be honored when they are presented to the bank.

All we want is a vote up or down on Gramm-Rudman, Mr. Speaker. You have it in your unilateral power to give us that vote any time the spirit moves you. I would hope that the spirit is working.



Mr. Speaker, if the smile on your face is a manifestation of the movement of the Speaker, I can only hope that it speaks truthfully, Mr. Speaker. Because you know we all want this vote.

The SPEAKER. The gentleman does not understand the rules of the House.

Mr. DANNEMEYER. I understand the rules, Mr. Speaker; I just do not understand the politics.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman.

Mr. FRANK. I just want to ask the gentleman from California, first I want to thank the Members on the other side for letting the rest of us sit in on this Republican Caucus, because that seems to be where all the disagreement is.

Second, I would like to ask the gentleman from California, why, when the minority had it within their control to frame an instruction motion to the conferees after Gramm-Rudman first passed the Senate, they did not do that? They are now clamoring for a vote. The minority had it within its power to offer an instruction, and could have instructed on Gramm-Rudman, and they decided not to.

Mr. DANNEMEYER. Would you like the answer? I may be dense but I am not dumb; you do not have to repeat it again.

Mr. FRANK. I hope the gentleman is not asking me that.

Mr. DANNEMEYER. I will tell you what, if we had framed it in the manner the gentleman has described, we all know that that vote was not binding on the conferees. Under the rules that exist in this place, the conferees could have done anything they wanted to. It would have given a vote on Gramm-Rudman that would not have accountability to it, because it would not have meant anything. We want to vote on Gramm-Rudman where it means something; where it has the debt limit attached to it. Where it has only one significance, where Members are put on record of bringing runaway spending under control in this country, and that is the issue, Mr. Speaker.

For myself and my California voters, I am prepared to stay here for the rest of the year; I get paid by the year.

Mr. PEPPER. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Speaker, I hope that we can get a vote on the matter pending before the body at this time. I would remind the House that in 1983 when we passed the Social Security bill, the administration agreed to the procedure of advanced tax transfer. That was understood and it was made a part of the bill.

Now the administration is taking that away. They are violating that

agreement. They are cashing in the long-term bonds against our reserves as well as using FICA taxes to pay immediate bills. Now, that is wrong. Whatever happens with respect to a vote on the so-called Gramm-Rudman or the alternative may have not happened a little bit later. There is nothing wrong with us pushing a vote now on this to tell the American people we are not going to let you violate our trust funds.

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. I thank the gentleman for yielding.

Mr. Speaker, I did not anticipate speaking on this and I hope that we can proceed to vote immediately.

The gentleman from California raised an interesting point which has been expressed over and over and not rebutted and I think the American people need to know that this House, at least the Democrats in this House, will not allow a far-reaching, far-ranging, possibly permanent destructive bill like Gramm-Rudman to be brought to the floor without any debate whatsoever.

Without hearings, without anybody being able to look at it, without anybody being able to review it, without any committees of jurisdiction having anything to do with it. If the other body chose to do that, that is to their discredit. Not to the discredit of this House. I believe it is the appropriateness of what we are doing here. Giving more time for any of those proposals to be reviewed to see whether they are valid and legitimate that serves the best interests of the American people. That is what this House is doing right now.

Mr. LATTA. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I yield myself 30 seconds so I can ask myself this question: Where were the hearings held on the Democrat proposal that we worked on today? I do not even know where the bill was. The gentleman from Florida who just spoke apparently knows more about it than I do.

Mr. CRANE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. CRANE. I thank the gentleman for yielding.

Mr. Speaker, I think in the interest of allaying apprehensions that may have been generated by a C-SPAN coverage of this exchange, that the point ought to be stressed that no senior is going to have to worry about not getting his Social Security check.

Now, will everyone concede that point? Whether we disinvest or do not disinvest, those seniors are going to get their checks. The fact of the matter is, whether we hike this debt ceiling by our action here this after-

noon and delay and wait until next Wednesday night to go through this same exercise, or whether we move it up to November 15, which is presumably the limit of the funds available in Social Security, do not try and scare those people into believing they are not going to get their checks.

Mr. PEPPER. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, what we are really talking about here is something that I call the long-range short-change. Now, think about it; that is what it is.

What is happening if the Social Security trust funds are disinvested any further than they already have been disinvested in violation of the law? In that the Social Security recipients in the outyears will not have the kind of reserves that are essential for the payment of those benefits.

Very high interest bonds are being cashed in or will be cashed in and it is going to come out of somebody's retirement check. This is the long-range short-change, and the legislation that is being considered here will correct that matter.

□ 1610

Mr. PEPPER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I do not believe this House, during the period when the two Houses are honestly and conscientiously trying to find the solution to a critical national problem, is going to force our Government to the extremity exhibited before the world of not being able to pay its debts, or in the alternative of having to invade its most sacred trust fund in order to do so.

This resolution will not permit that.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 374, nays 44, not voting 16, as follows:

[Roll No. 388]

YEAS—374

Ackerman	Bates	Bonior (MI)
Akaka	Bedell	Bonker
Alexander	Beilenson	Borski
Anderson	Bennett	Bosco
Andrews	Bentley	Boucher
Annunzio	Bereuter	Boulter
Anthony	Berman	Boxer
Applegate	Bevill	Breaux
Aspin	Biaggi	Brooks
Atkins	Bilirakis	Broomfield
AuCoin	Boehert	Brown (CA)
Barnard	Boggs	Broyhill
Barnes	Boland	Bruce
Bateman	Boner (TN)	Bryant

Burton (CA)  
Burton (IN)  
Bustamante  
Byron  
Callahan  
Campbell  
Carney  
Carper  
Carr  
Chandler  
Chapman  
Chappell  
Clay  
Clinger  
Cobey  
Coble  
Coelho  
Coleman (MO)  
Coleman (TX)  
Collins  
Combest  
Conte  
Cooper  
Coughlin  
Courter  
Coyne  
Craig  
Crockett  
Daniel  
Darden  
Daschle  
Daub  
Davis  
de la Garza  
Dellums  
Derrick  
DeWine  
Dickinson  
Dicks  
Dingell  
DioGuardi  
Dixon  
Donnelly  
Dorgan (ND)  
Dowdy  
Downey  
Duncan  
Durbin  
Dwyer  
Dymally  
Dyson  
Early  
Eckart (OH)  
Eckert (NY)  
Edgar  
Edwards (CA)  
Emerson  
English  
Erdreich  
Evans (IA)  
Evans (IL)  
Fascell  
Fawell  
Fazio  
Feighan  
Fish  
Flippo  
Foglietta  
Foley  
Ford (MI)  
Ford (TN)  
Frank  
Franklin  
Frenzel  
Frost  
Fuqua  
Gallo  
Garcia  
Gaydos  
Gejdenson  
Gekas  
Gephardt  
Gibbons  
Gilman  
Glickman  
Gonzalez  
Goodling  
Gordon  
Gradison  
Gray (IL)  
Gray (PA)  
Green  
Grothberg  
Guarini  
Gunderson  
Hall (OH)

Hall, Ralph  
Hamilton  
Hammerschmidt  
Hawkins  
Hayes  
Hefner  
Heftel  
Hendon  
Hertel  
Hillis  
Hopkins  
Horton  
Howard  
Hoyer  
Hubbard  
Huckaby  
Hughes  
Hutto  
Ireland  
Jacobs  
Jeffords  
Jenkins  
Johnson  
Jones (NC)  
Jones (OK)  
Jones (TN)  
Kanjorski  
Kaptur  
Kasich  
Kastenmeier  
Kemp  
Kennelly  
Kildee  
Kindness  
Klaczka  
Kolbe  
Kolter  
Kostmayer  
LaFalce  
Lagomarsino  
Lantos  
Latta  
Leach (IA)  
Leath (TX)  
Lehman (CA)  
Lehman (FL)  
Leland  
Lent  
Levin (MI)  
Levine (CA)  
Lewis (FL)  
Lightfoot  
Lipinski  
Livingston  
Lloyd  
Loeffler  
Long  
Lott  
Lowry (WA)  
Lujan  
Luken  
MacKay  
Madigan  
Manton  
Markey  
Martin (IL)  
Martin (NY)  
Martinez  
Matsui  
Mavroules  
Mazzoli  
McCain  
McCloskey  
McCormack  
McCurdy  
McDade  
McGrath  
McHugh  
McKernan  
McKinney  
McMillan  
Meyers  
Mica  
Michel  
Mikulski  
Miller (CA)  
Miller (OH)  
Miller (WA)  
Mineta  
Mitchell  
Moakley  
Molinari  
Mollohan  
Monson  
Montgomery  
Moody

Moore  
Morrison (CT)  
Morrison (WA)  
Mrazek  
Murphy  
Murtha  
Myers  
Natcher  
Nelson  
Nichols  
Nowak  
O'Brien  
Oakar  
Oberstar  
Obey  
Olin  
Ortiz  
Owens  
Panetta  
Parris  
Pashayan  
Pease  
Penny  
Pepper  
Perkins  
Petri  
Pickle  
Porter  
Price  
Pursell  
Quillen  
Rahall  
Rangel  
Ray  
Regula  
Reid  
Richardson  
Ridge  
Rinaldo  
Ritter  
Roberts  
Robinson  
Rodino  
Roe  
Roemer  
Rogers  
Rose  
Rostenkowski  
Roukema  
Rowland (CT)  
Rowland (GA)  
Roybal  
Russo  
Sabo  
Savage  
Saxton  
Schneider  
Schroeder  
Schuette  
Schulze  
Schumer  
Seiberling  
Sensenbrenner  
Sharp  
Shaw  
Shelby  
Shuster  
Sikorski  
Sisisky  
Skeen  
Skelton  
Slaterry  
Slaughter  
Smith (FL)  
Smith (IA)  
Smith (NE)  
Smith (NJ)  
Smith, Robert  
(OR)  
Snowe  
Snyder  
Solarz  
Solomon  
Spence  
Spratt  
St Germain  
Staggers  
Stallings  
Stangeland  
Stenholm  
Stokes  
Strang  
Stratton  
Studds  
Sundquist  
Sweeney

Swift  
Swindall  
Synar  
Tallon  
Tauke  
Tauzin  
Taylor  
Thomas (GA)  
Torres  
Torrice  
Towns  
Traficant  
Traxler  
Udall  
Valentine

Vander Jagt  
Vento  
Visclosky  
Volkmeyer  
Walgren  
Watkins  
Waxman  
Weaver  
Weber  
Weiss  
Wheat  
Whitley  
Whittaker  
Whitten  
Williams

Wilson  
Wirth  
Wise  
Wolf  
Wolpe  
Wortley  
Wright  
Wyden  
Wyllie  
Yates  
Yatron  
Young (AK)  
Young (FL)  
Young (MO)  
Zschau

## NAYS—44

Archer  
Armey  
Bartlett  
Barton  
Billey  
Brown (CO)  
Chappie  
Cheney  
Coats  
Crane  
Dannemeyer  
DeLay  
Dornan (CA)  
Dreier  
Fiedler  
Fields

Gingrich  
Gregg  
Hartnett  
Henry  
Hiler  
Hunter  
Hyde  
Kramer  
Lewis (CA)  
Lowery (CA)  
Lungren  
Mack  
McCandless  
Moorhead  
Nielsen  
Oxley

Packard  
Roth  
Rudd  
Schaefer  
Shumway  
Siljander  
Smith, Denny  
(OR)  
Smith, Robert  
(NH)  
Stump  
Thomas (CA)  
Vucanovich  
Walker

## NOT VOTING—16

Addabbo  
Badham  
Conyers  
Edwards (OK)  
Florio  
Fowler

Hansen  
Hatcher  
Holt  
Lundine  
Marlenee  
McEwen

Neal  
Scheuer  
Stark  
Whitehurst

□ 1620

Mr. COBEY changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ROSTENKOWSKI. Mr. Speaker, pursuant to House Resolution 306, I call up the bill, H.R. 3669, to prevent the disinvestment of the Social Security Trust Funds and other trust funds, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of the bill is as follows:

## H.R. 3669

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period beginning on the date of the enactment of this Act and ending on November 6, 1985, the public debt limit set forth in subsection (b) of section 3101 of title 31, United States Code, shall be increased by an amount determined by the Secretary of the Treasury as necessary to permit the United States to meet its obligations without disinvesting the Social Security Trust Funds or any other trust funds established pursuant to Federal law. No increase under the preceding sentence shall result in a public debt limit in excess of \$1,840,800,000,000.*

The SPEAKER. Under the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes, and the gentleman from Tennessee [Mr. DUNCAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

## GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this matter has been discussed with the leadership on the minority side. This temporary increase in the public debt is necessary to protect the fiscal integrity of the Social Security Trust Funds and other Federal trust funds.

Unless this Congress acts today to provide an additional \$17 billion of public debt authority, the Treasury Department will be forced to disinvest the surpluses of the Social Security and other trust funds. The Treasury has no alternative to this course of action. This month's Social Security checks are in the mail. If banks are to honor those checks and other checks presented for payment, the Treasury must borrow an additional \$17 billion.

Without action on our part, they will cancel \$17 billion of long-term interest-bearing securities held in the Social Security and other trust funds. That action will reduce the amount of debt subject to limit. They will then borrow a similar amount bringing the total debt back up to the current limit of \$1,823.8 billion in order to cover Social Security and other checks presented for payment next week.

The bill I have put before you will permit the Treasury to borrow the \$17 billion without having to disinvest Social Security Trust Fund balances. It will not permit, however, any further roll over of existing debt beyond Wednesday, November 6. This means that on the seventh, we will have to have enacted a permanent debt limit increase or we will face the precise situation we find ourselves in today.

The future financial strength of the Social Security System depends, in part, upon the assumption that interest will be paid at the interest rates now in effect on existing trust fund balances. It is imperative that we avoid losing that interest, which could over the next 5 years amount to \$1 to \$2 billion.

I urge my colleagues to support this legislation.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the chairman for his remarks, because I think by implication some people have indicated that under the Republican proposal that the Social Security Fund would not have been made



whole if the provision was there and it was also in the Democratic proposal.

So as I say, the checks will be in the mail.

Mr. GREGG. Mr. Speaker, will the gentleman yield?

Mr. DUNCAN. I yield to my colleague, the gentleman from New Hampshire.

Mr. GREGG. Mr. Speaker, I appreciate the gentleman yielding.

I think a point should be made here that has not been made, and that is that the trust fund borrows not in the private sector but from the Government. If the Government is paying 10.3 percent for the securities that are disinvested today, if they are disinvested, and I hope they will not be, but if they are, then the Government can reimburse this and it is all coming from the same pocket. All it takes is for us to legislatively correct that problem at some point.

The credit is still there. The bonds are still there in the sense that the debt is still listed with the Social Security Fund and the money to pay that debt and the interest at which that debt is going to be paid back is simply a function of what this Congress decides to determine, and it is a very simple remedy for us to correct that problem.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. GREGG. I do not have the time, but I would be happy to refer to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I yield 1 more minute to the gentleman.

Mr. GREGG. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Speaker, the gentleman makes a good point. This is a point we thought of in the conference yesterday and the alternative that we passed in the House and sent to the other body does have that provision to mandate that the Government repay with interest, including the interest differential, to the Social Security trust fund.

My understanding in talking to the chairman of the conference, Senator Packwood, is that they would accept that on their side.

Mr. GREGG. Well, Mr. Speaker, if I can reclaim my time, so does the Michel amendment.

I would simply point out because of the concern for Social Security in this House, so will anything that passes this House when we correct this debt ceiling issue.

So this whole issue of disinvestment and loss of revenue to the Social Security fund is extremely specious, because it is all coming out of the same pocket, the Public Treasury, and in the end we are going to make it up no matter what happens.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. LUNGREN].

Mr. LUNGREN. Mr. Speaker, at the point we are at it is probably extremely confusing to folks who might have the opportunity to observe this. I hope that people do not believe that what we are voting on here is whether or not Social Security is going to survive. It is going to survive. It is going to be funded.

What we are doing here is voting on whether we allow ourselves and escape valve, so we can go home and not have to face the question of whether in fact there had to be a financing of certain debt via the Social Security System. The reason we want to do that is so that we will not have to stay here until midnight or beyond midnight to deal with the question of Gramm-Rudman or Gramm-Rudman-Mack or some variation thereof.

Now, some say why should we worry about that? Why not go home and deal with it next week?

Well, the fact of the matter is that we found ourselves in a similar situation just a couple weeks ago. At that particular time, the thought was, well, we will have 2 or 3 weeks to work it out. Obviously we can work it out.

It reminds me of people who want to be given the opportunity in college to take their exams when they want to take them. They will take them as far off as they possibly can. In fact, if they can get a pass-fail course without taking the exam, they will take that.

So what we have here is the Democratic Party coming to us at the last minute, the very last day, and saying that we have finally figured out our alternative to Gramm-Rudman, and here it is, and you have to buy this, because if you do not buy this at noon today, somehow Social Security is going to go bust.

So what happened? We got to vote on this new bill, which amazingly, never went through any committee, never had any hearings. We do not even know what was in it. We could not get a copy of it yesterday. We are not quite sure what it is, except the important point seemed to be on the floor of the House that it was different than Gramm-Rudman.

□ 1635

The argument had changed over 2 weeks. Two weeks ago we heard two arguments against Gramm-Rudman. One was that it was nothing but fluff; it was not effective at all. The other argument from the other side was that it was too effective; it was going to force us to cut spending in all areas.

So now what we have is this other thing, whatever it is that was voted on earlier, being sent over to the Senate. The fact is, as we know, if we take the pressure off ourselves, we will not vote on Gramm-Rudman. We will not vote

on Gramm-Rudman tomorrow. We will not vote on Gramm-Rudman Sunday. We will not vote on Gramm-Rudman Monday. We may vote on something that might be like it but we have to make sure that it is not as effective as it is next week.

The whole reason for this exercise was that as long as the pressure is on, Congress will act. The distinguished Speaker of the House himself was quoted in the newspaper on numerous occasions this week saying, "If Gramm-Rudman comes to the floor, I feel confident it will pass."

So what has happened this whole time? We have done everything we can institutionally to make sure we never got a vote on Gramm-Rudman. This is another step in that process.

The SPEAKER. The time of the gentleman from California [Mr. LUNGREN] has expired.

Mr. DUNCAN. Mr. Speaker, I yield 2 additional minutes to the gentleman from California.

Mr. LUNGREN. I thank the gentleman for yielding this additional time to me.

Mr. Speaker, I understand some Members are upset that we are talking about this issue, and I can certainly understand that at 20 minutes to 5 o'clock, dealing with the question of the debt of the American people, after we have had so many votes in the past number of months, is understandable. But I would think that perhaps we might stand here and talk about it.

We have had a lot of people talk about violating the sacred trust we have with the senior citizens of America with their trust fund. I would like to hear us start talking about the trust we have with the young people of America, the trust we have with my children, the trust we have with other people my age, the trust we have with all Americans who happen to be taxed so that we can spend that money.

The trust fund we are talking about is a trust fund that is established by the money from the working men and women of America today, and they ought to be concerned as well. Yes, I am concerned about senior citizens. I have the original Leisure World in my district. My city has more senior citizens percentagewise, I believe, than any outside of St. Petersburg down in Florida.

Yet, when I talk with senior citizens, they are not so insensitive to the needs of their children and their grandchildren that they say, "Protect us at all costs and forget about our children, forget about our grandchildren." But that is what we are doing. We are saying, "We will take care of the senior citizens. We will make a big issue of Social Security. We will make a big political issue of Social Security. But we will hide about the fact that what we are saying to our children and

our grandchildren is take more debt, take more taxation.

The funny thing is, if your children come to you at Christmas time and say, "I want you to buy me some presents that are harmful to me." It is an easy thing for us to say to them, "I am not going to buy them." That is why it is easy to get rid of waste, fraud and abuse in the Federal Government. But when your kids come to you at Christmas time and say, "I want five presents," even though they are all good educational toys and you can only afford two, it is not considered to be Scrooge-like for us to tell our children we can only afford two out of five presents.

The SPEAKER. The time of the gentleman from California [Mr. LUNGREN] has again expired.

Mr. ROSTENKOWSKI. Mr. Speaker, how much time do I have remaining?

The SPEAKER. The Chair will advise the gentleman from Illinois that he has 27 minutes remaining.

Mr. ROSTENKOWSKI. And how much time does the gentleman from Tennessee [Mr. DUNCAN] have remaining?

The SPEAKER. The gentleman from Tennessee [Mr. DUNCAN] has 22 minutes remaining.

Mr. DUNCAN. Mr. Speaker, I yield 1 additional minute to the gentleman from California [Mr. LUNGREN].

Mr. LUNGREN. I thank the gentleman for yielding this additional time to me.

Mr. Speaker, what happens here in the House and in the other body is that people come to us asking us for 500 programs, we can only afford 300, and yet we give them 500 and raise them 50. We are not going to deal with the budget deficit until we start disestablishing some worthy programs or cutting some worthy programs, because that is the way we deal in our family life, that is the way we deal in our real life, and here we are putting off question after question after question and decision after decision, and voting for this proposition before you is just putting it off until next week and is encouraging us to continue in the activity we have in the past, which is to get ourselves further and further in debt, not only our senior citizens and not only ourselves, but our children and our grandchildren.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. I thank the gentleman for yielding this time to me.

Mr. Speaker, I think that in a lot of ways what we are living through is, in a sense, the last gasp of the old Democratic Party. It was interesting in the other body that one of the leading liberals in this country happened to vote for Gramm-Rudman while the leading advocate last year of new ideas in the

Democratic Party thought that Gramm-Rudman was too new to vote for.

I want to really challenge the chairman of the Committee on Ways and Means because I think something he said was explicitly not accurate. He said at the beginning of his statement, and I quote:

There is no alternative to this course of action.

That is simply not correct. There are many alternatives. The Democrats control this House and there are many things we could do this afternoon. There are many ways we could handle this issue. The fact is, this is the only alternative the Democrats decided to take.

He went on to say, and I quote:

The future financial strength of the Social Security System depends on this.

That is simply not true. Everyone in this body knows that at some point in the next few months we will replenish whatever is spent through this process from the General Treasury. Everybody knows we are not going to let the politicians waste our grandparents' money.

The fact is that the central issue we are arguing over is whether or not the Democratic Party is going to allow a straight up-or-down vote on Gramm-Rudman-Mack, whether or not we are going to finally move toward really controlling spending.

I sometimes wonder just how dumb Democrats think the American people are. Virtually every speaker who was enthusiastic about the Democratic alternative is somebody whose voting record is consistently for more spending, with only one or two exceptions. Again and again and again, liberal big spenders got up and explained how the Democratic alternative was going to somehow improve things. The fact is, if you would give us a straight up-or-down vote on the Gramm-Rudman-Mack proposal, we would not have all these problems. The fact is, the checks are going out on Social Security, they are going to be honored, and what we have today is simply another political gimmick, another effort to create a smoke screen.

The question I want to leave you with is this: What gimmick are you going to try next week? If the other body holds firm, if the administration holds firm, if we do not take the malarkey that was passed today, if we are back in this exact same place 6 days from today, then what gimmick are you going to produce? Then what are you going to do? Because once the checks are received at home over the weekend, once they are cashed, once our grandparents know they do not have to be afraid, then the grandchildren are going to turn and say, "Yes." What is the Democratic Party, which for 34 years has controlled the House and created the spending programs

that led us to this disaster now going to do about the future of the children and grandchildren of America? Pass another debt limit and another debt limit and another debt limit?

All you have done is change from the party of tax and spend, tax and spend, to the party of borrow and spend, borrow and spend, and I think they know it.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, what has just been concluded in the well is the old lawyer's adage, "If you do not have the facts, pound the table."

The gentleman's reference to what I explicitly said and how he differs with what I supposedly said has again been checked out as to its inaccuracy. What I said, as opposed to the Congress having no alternative, was that the Treasury has no alternative to this course of action, and it is the Treasury that has the fiduciary responsibility to cover the payments of Social Security.

So I just wanted to point out that the gentleman again is inaccurate.

Mr. DUNCAN. Mr. Speaker, I yield 30 seconds to the gentleman from Georgia [Mr. GINGRICH].

Mr. DANNEMEYER. Mr. Speaker, the House is not in order.

The SPEAKER. The Chair thought the House was in pretty good order.

Mr. DANNEMEYER. I thought I heard boos, Mr. Speaker.

The SPEAKER. If the gentleman would be seated, the House will proceed.

#### PARLIAMENTARY INQUIRY

Mr. LUNGREN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LUNGREN. Is it regular order in this House when we have hissing and an attempt to try and overtake what the person in the well is saying?

The SPEAKER. The Chair does not understand the inquiry and doubts if it is a proper question for the Chair, but in the opinion of the Chair, when the gentleman said "regular order" the House was in order. That was the opinion of the Chair and he makes the judgment on that.

Mr. LUNGREN. I thank the Speaker for his ruling.

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. GINGRICH] for 30 seconds.

□ 1645

Mr. GINGRICH. I thank the Speaker.

Mr. Speaker, I simply want to say to the very distinguished chairman of the Ways and Means Committee, the gentleman from Illinois [Mr. ROSTENKOWSKI] that the Government of the United States is a collectivity under the Constitution which includes the legislative and executive branches.



And that you have been part of a conference which at any time in the last 2 weeks could have avoided where we are at today, and that it has been a gimmick of the Democratic Party in this House to again and again refer to Reagan's deficit about billions that we have passed through this House, normally with the Democratic majority.

Mr. DUNCAN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker.

Mr. FRENZEL. Mr. Speaker, the House is not in order.

The SPEAKER. The Chair agrees that the House is not in order, and particularly speaks to the Pennsylvania delegation.

The House will be in order.

Mr. WALKER. Mr. Speaker, I appreciate the Speaker attempting to keep the House from embarrassing itself, and particularly the Pennsylvania delegation from doing so.

Mr. Speaker, the gentleman from Illinois [Mr. ROSTENKOWSKI] I think made it quite clear in his speech that we are not just talking just about Social Security here. He referred in his speech to preserving Social Security and other trust funds. He referred to paying Social Security checks and other checks.

What we are dealing here is not a Social Security issue, my friends. What we are dealing with here is a raising of the debt ceiling, pure and simple. Regardless of what the title of the bill is, this is a bill to raise the debt ceiling.

There are an awful lot of Members of this Congress who have told their constituents over and over again, "I have never voted to raise the national debt." If you vote on this bill to raise the national debt, do not make that claim again, and do not expect that that will not be an issue in those districts where raising the debt might be an issue, because that is what you are doing on this particular act. You are voting to raise the national debt by \$17 billion.

I yield back the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, 3 weeks ago the other body sent us the Gramm-Rudman-Hollings-Mack proposal to reduce the deficit of the United States of America and ultimately balance our budget. And the House has lagged in putting together a conference committee, and finally got to work on it and made some improvements, but ultimately they decided to stonewall the other body and send over the Democrat proposal that we passed this morning, which it knew was manifestly unsatisfactory and unacceptable to the other body.

In doing so, it created, or rather extended the crisis which it caused when

it originally failed to respond to Gramm/Rudman.

When we did that, in saying that we will not vote for any proposal that will reduce our budget, and I would like to remind the majority that a majority of them so voted this morning, when we did so, we allowed the crisis with Social Security and other Government funds to continue.

But now, when we have decided that we have invented the Democrat majority which will not cure our troubles, we can bail ourselves out of the crisis with a brand new Democratic invention.

Guess what the object of Democrat ingenuity was? What is this brand new Gary Hart-type idea? It is another debt extension, only \$17 billion. And what those fun-loving, high-spending folks have brought to us is enough money to take us through next week with a \$5 billion cushion on top. And guess what happens when that expires? What will we do again? We will have another creative, ingenious device that will extend the debt ceiling again.

There is no escaping the responsibility that has been thrust on this body by thoughtful Members of the other body and that is to make a responsive reply to Gramm/Rudman. Until that happens, this body is derelict in its responsibility to the young, and the old, and the adjustable, and the in-between, to every taxpayer and every citizen of this country. And as long as we keep skating along, raising the debt ceiling, keeping up in our spending patterns, it is only our fault, and we have nobody else to blame.

Mr. Speaker, if the Speaker and the Democrat majority allow us to go home this afternoon, knowing that the other body is not going to respond to this debt extension, then not only will we have not kept faith with the young and the taxpayers, we will not have kept faith with the old either. But since that is our habit around here, perhaps many of us will not mind.

Mr. DUNCAN. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. Mr. Speaker, I do not have an awful lot to say that has not been said already, but I would like to have your attention for just a couple of minutes.

Now what we are going to do here could be very much like the old adage, "penny-wise and pound-foolish."

The pennies one could argue might be the tens of millions of dollars that the Social Security Trust Fund forfeits by the sale of its interest-bearing securities. The pounds of foolishness might be the \$17 billion that we actually spend by raising the debt ceiling for which we will try not to be accountable.

So it seems to me that the interest-bearing securities of short- and long-term interest-bearing relationships are amounts that were paid in, that become the savings account for Social Security, and it was tucked away for a rainy day.

Now literally the rainy day has arrived, just like all of us once in a while are faced for health reasons or whatever reasons with having to use some of our savings for a rainy day, and we may forfeit the interest that that passbook might have brought us had we not had to spend that money.

But it seems to me that if we ignore the old adage, "penny-wise and pound-foolish," and delay the proper work that we ought to do here, then it seems to me that we will have compounded our felony.

Mr. DUNCAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado [Mr. STRANG].

Mr. STRANG. Mr. Speaker, I rise in opposition to this proposal.

Mr. LOWERY of California. Mr. Speaker, I rise in opposition to H.R. 3669, the temporary extension of our debt limit. The House and Senate conferees of House Joint Resolution 372, which includes a gradual balanced budget measure I cosponsored, had 2 weeks in which to discuss a remedy for our spiraling deficits and to reach a compromise. Instead, House Democrats have chosen to obscure the real issue of deficit reduction with the politicization of the Social Security Trust Fund.

I wish to stress that absolutely no Social Security recipient will be affected by a simple refusal to extend the debt limit by 5 days. No checks will be delayed or deferred. This only threat to our Nation's elderly comes from House Democrats who continue to insist upon business-as-usual practices, failing to come to grips with our budget deficit dilemma.

The Federal debt, now more than \$2 trillion, has quadrupled during the past 8 years because of spending bills this Congress has authorized. A large Federal debt affects all our citizens, not just the recipients of Social Security. In the last 22 years, while our population has grown 27.5 percent, prices have grown 246 percent, and the Federal budget has grown 1,000 percent. Year in and year out, we have spent more than we have taken in, creating a series of increasing deficits which have placed this Nation in economic danger.

The time for the Gramm-Rudman balanced budget proposal is at hand. There is no place left to hide, no one left to whom we can pass the buck. We can no longer afford to put off deficit reduction efforts, even for 5 days. Congress must face some tough decisions, now.

Not only do deficits indicate improper management of our Federal funds, but they also create serious difficulties for our economy. High interest rates and low economic growth interact to create an uneven field upon which our export industries and

workers must play. In this vicious cycle, the more the Federal Government spends, which many Democrats would have us believe to be beneficial, the less money there is for our economy. In short, there is no way to have full employment and balanced growth in our present budget environment.

I want to conclude, Mr. Speaker, by urging all my colleagues not to let this historic chance for real deficit reduction progress to slip away. Let us not settle for less than a real and substantial reduction in domestic spending.

Mr. DUNCAN. Mr. Speaker, how much time, may I ask, do I have remaining?

The SPEAKER. The gentleman from Tennessee [Mr. DUNCAN] has 11½ minutes remaining.

Mr. DUNCAN. Mr. Speaker, I yield whatever time he may consume to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, regardless of how we vote on this issue that will be voted on here momentarily, I assume it is going to pass, but I think it is going to be a great mistake if this body votes on this issue, this short-term extension, and then high-tails it out of town.

The papers on the bill we voted on earlier, the conference report left here going to the other body now somewhere around 3:30. They intend to take this issue up, and we are going to say we are not going to wait for you to deal with it, we are going to leave this issue hanging in the air.

We have all said how important it is, and yet we are going to put it off until another day, sometime next week that that issue would be resolved. We will be back facing this next Wednesday at the latest with the short-term extension. We ought to stay here tonight. We ought to stay here tomorrow if necessary, and this weekend, and get the job done.

So when our colleagues vote on this issue, when we vote, and right or wrong we have done our part in that effort, the intention I understand of the other side of the aisle is to have a vote on adjournment.

Well, you are going to have to vote to adjourn and run out of Dodge, but let me tell you, we think it is important, and a lot of you are bound to recognize we need to resolve this thing, and not let it go over until next Wednesday, and keep shoving it off.

Let us stay here and do our job. Vote no on adjournment if this thing passes.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I will be glad to yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Speaker, does the gentleman understand it is the leadership's intention to go home while this important matter pends, while we do not know whether the other body is going to accept this, and whether there will be continuous dis-

investments of this fund that we have all pledged to secure and maintain? You mean they are going to let us actually go home?

Mr. LOTT. That is my understanding.

Mr. FRENZEL. I am shocked.

Mr. LOTT. Our leader right now is trying to ascertain what the schedule would be for the balance of the day between our colleagues on the other side of the aisle and the other body, but there is no clear impression that we are going to get that in the next 15 minutes. But we do not know for sure what is going to happen. We ought to stay and take this issue up and finish it right now.

I yield back my time.

Mr. DUNCAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, let us just clear all of the fog and burn right through to what is at issue here. The question before us is really very simple.

If we do not vote at this moment this simple 5-day extension of the national debt ceiling, at midnight tonight, we have been duly warned, the Social Security Trust Fund will be disinvested. Now if you vote against this motion, you vote against this bill, you vote to allow the disinvestment at midnight tonight of the Social Security Trust Fund.

There are some of us who believe that to be illegal. Whether it is illegal or not, it already has been done. Those who threaten it as such a dire consequence, in an apparent attempt to force the Congress into taking precipitous action of a type that it did not want to take, did not tell us that they already have invaded the Social Security Trust Fund. They have sold bonds, taken money out of that fund that was committed under the law to the social security recipients, and that they are threatening to do it again.

Now we can keep them from doing that. It is a very simple thing. We can vote a 5-day extension giving the other body ample time to consider that which we have done today. There is nothing wrong with that. Surely nobody can consider that sinister. It is open. Everybody understands it. It is not ambiguous.

If you want to avoid the disinvestment of the Social Security Trust Fund, then you vote aye and give the other body 5 days in which to deliberately, and in an orderly way, consider what we have sent to them. That is honorable, it is decent, and there is nothing wrong with it.

If you do not want to do that, face the consequences and know what you are voting to do. You are voting by voting no on this motion to disinvest

the Social Security Trust Fund, to lift the heavy hand of Government into those dedicated funds, to sell long-term bonds, and to use the proceeds.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. No, I do not yield at this time. The gentleman had ample time and I did not ask him to yield. I have only a few minutes.

It is very simple now. There are those here who say that this is a game being played. There is no game being played. I ask you only to remember that this House, with the help of those on the other side as well, back in May, extended this debt ceiling, and if the other body had accepted our action, we would not be in this box today.

Instead, they attempted to hold our feet to the fire and to force down our throats a hastily considered, ill-drafted piece of legislation that would affect us for the rest of the life of the Republic, that would have taken powers away from the Congress, placed them in the hands of the Executive and future Executives, identities unknown.

We did not want to do that.

There are those here today who say that, oh, it is the fault of the Democrats or the fault of the Republicans that we are in the national debt that we are in. You can argue that either way. The truth of it is that Martin Feldstein, the Chairman of the Council of Economic Advisers for President Reagan, in testifying before our Budget Committee, said the reason we have doubled the national debt in 4½ years, adding as much as was added in the 192 years of our previous history combined, is because first, we were excessive in the tax cut of 1981 asked by this President. Second, because of the excessive or extremely large increase in military spending. And third, because of the unprecedented increase in the cost of handling the national debt through interest charges. That was his answer.

□ 1700

I don't want to quarrel with you about whose fault it is; let us talk about whose responsibility it is. All of us share the responsibility.

We are offering you a responsible alternative. You say well, you want to wait around tonight until you get to vote on Gramm-Rudman? Do you not understand that is exactly what we did just a few moments earlier? We voted on Gramm-Rudman; we voted to amend Gramm-Rudman.

The House, by a vote of 249 to 180 voted to modify it, to improve it, to perfect it. That was not an indecisive vote; that was not an equivocal vote; that was a vote on Gramm-Rudman, and we voted not to approve it in its undiluted form, but to amend it.



That is what the House frequently does to legislation sent to it by the other body. What is wrong with that?

So we have followed orderly procedure. Orderly procedure from this moment on is to save the Republic from that which is threatened by those who say "If you don't play the game our way, we're going to mess it up for everybody." We are going to thwart that effort by passing this bill, giving the other body 5 days as we think in decency we owe them, to consider what we have sent, to take deliberative action, and we will come back in here Monday and if they want us to do something else then, we will be glad to do it.

Mr. ROSTENKOWSKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. Pursuant to the rule, the previous question is considered as ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. DANNEMEYER) there were—yeas 195, nays 51.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 357, nays 61, not voting 16, as follows:

[Roll No. 389]

#### YEAS—357

Ackerman	Bryant	Dorgan (ND)
Akaka	Burton (CA)	Dowdy
Alexander	Bustamante	Downey
Anderson	Byron	Duncan
Andrews	Callahan	Durbin
Annunzio	Campbell	Dwyer
Anthony	Carney	Dymally
Applegate	Carper	Dyson
Aspin	Carr	Early
Atkins	Chandler	Eckart (OH)
AuCoin	Chapman	Eckert (NY)
Barnard	Chappell	Edgar
Bateman	Clay	Edwards (CA)
Bates	Clinger	Edwards (OK)
Bedell	Coble	Emerson
Bellenson	Coelho	English
Bennett	Coleman (MO)	Erdreich
Bentley	Coleman (TX)	Evans (IA)
Bereuter	Collins	Evans (IL)
Berman	Combest	Fascell
Bevill	Conte	Fazio
Blaggi	Conyers	Feighan
Billakis	Cooper	Fish
Boehlert	Coughlin	Flippo
Boggs	Courter	Foglietta
Boland	Coyne	Foley
Boner (TN)	Crockett	Ford (MI)
Bonior (MI)	Daniel	Ford (TN)
Bonker	Darden	Frank
Borski	Daschle	Frost
Bosco	Davis	Fuqua
Boucher	Dellums	Gallo
Boulter	Derrick	Garcia
Boxer	DeWine	Gaydos
Breaux	Dickinson	Gejdenson
Brooks	Dicks	Gekas
Broomfield	Dingell	Gephardt
Brown (CA)	DioGuardi	Gibbons
Broyhill	Dixon	Gilman
Bruce	Donnelly	Glickman

Gonzalez	McCloskey	Schuetz
Goodling	McCollum	Schulze
Gordon	McCurdy	Schumer
Gradison	McDade	Seiberling
Gray (IL)	McGrath	Sharp
Gray (PA)	McHugh	Shaw
Green	McKernan	Shelby
Grotberg	McKinney	Shuster
Guarini	McMillan	Sikorski
Gunderson	Meyers	Sisisky
Hall (OH)	Mica	Skeen
Hall, Ralph	Michel	Skelton
Hamilton	Mikulski	Slatery
Hammerschmidt	Miller (CA)	Slaughter
Hawkins	Miller (OH)	Smith (FL)
Hayes	Miller (WA)	Smith (IA)
Hefner	Mineta	Smith (NE)
Heftel	Mitchell	Smith (NJ)
Hendon	Moakley	Smith, Robert
Hertel	Mollohan	(OR)
Hillis	Montgomery	Snowe
Horton	Moody	Snyder
Howard	Moore	Solarz
Hoyer	Morrison (WA)	Spence
Huckaby	Mrazek	Spratt
Hughes	Murphy	St Germain
Hutto	Murtha	Staggers
Ireland	Myers	Stallings
Jacobs	Natcher	Stenholm
Jeffords	Nelson	Stokes
Jenkins	Nichols	Stratton
Johnson	Nowak	Studds
Jones (NC)	O'Brien	Sundquist
Jones (OK)	Oakar	Sweeney
Jones (TN)	Oberstar	Swift
Kanjorski	Obey	Swindall
Kaptur	Olin	Synar
Kasich	Ortiz	Tallion
Kastenmeier	Owens	Tauke
Kemp	Panetta	Tauzin
Kennelly	Parris	Taylor
Kildee	Pashayan	Thomas (GA)
Kindness	Pease	Torres
Kiecicka	Penny	Torricelli
Kolter	Pepper	Towns
Kostmayer	Perkins	Traficant
LaFalce	Petri	Traxler
Lagomarsino	Pickle	Udall
Lantos	Porter	Valentine
Latta	Price	Vander Jagt
Leach (IA)	Pursell	Vento
Leath (TX)	Quillen	Visclosky
Lehman (CA)	Rahall	Volkmer
Lehman (FL)	Rangel	Walgren
Leland	Ray	Watkins
Lent	Regula	Waxman
Levin (MI)	Reid	Weaver
Levine (CA)	Richardson	Weiss
Lewis (FL)	Ridge	Wheat
Lightfoot	Rinaldo	Whitley
Lipinski	Ritter	Whittaker
Livingston	Roberts	Whitten
Lloyd	Robinson	Williams
Loeffler	Rodino	Wilson
Long	Roe	Wirth
Lott	Roemer	Wise
Lowry (WA)	Rogers	Wolf
Lujan	Rose	Wolpe
Luken	Rostenkowski	Wortley
MacKay	Roukema	Wright
Madigan	Rowland (CT)	Wyden
Manton	Rowland (GA)	Wyle
Markey	Roybal	Yates
Martin (IL)	Russo	Yatron
Martin (NY)	Sabo	Young (AK)
Martinez	Savage	Young (FL)
Matsui	Saxton	Young (MO)
Mavroules	Scheuer	Zschau
Mazzoli	Schneider	
McCain	Schroeder	

#### NAYS—61

Archer	Dannemeyer	Henry
Armey	Daub	Hiler
Bartlett	DeLay	Hopkins
Barton	Dornan (CA)	Hubbard
Billie	Dreier	Hunter
Brown (CO)	Fawell	Hyde
Burton (IN)	Fiedler	Kolbe
Chapple	Fields	Kramer
Cheney	Franklin	Lewis (CA)
Coats	Frenzel	Lowery (CA)
Cobey	Gingrich	Lungrén
Craig	Gregg	Mack
Crane	Hartnett	McCandless

Molinari	Schaefer	Solomon
Monson	Sensenbrenner	Stangeland
Moorhead	Shumway	Strang
Nielson	Siljander	Stump
Oxley	Smith, Denny	Thomas (CA)
Packard	(OR)	Vucanovich
Roth	Smith, Robert	Walker
Rudd	(NH)	Weber

#### NOT VOTING—16

Addabbo	Hansen	Morrison (CT)
Badham	Hatcher	Neal
Barnes	Holt	Stark
de la Garza	Lundine	Whitehurst
Florio	Marlenee	
Fowler	McEwen	

□ 1710

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

#### CONFERENCE REPORT ON S. 1570, FAIR LABOR STANDARDS AMENDMENTS OF 1985

Mr. HAWKINS submitted the following conference report and statement on the bill (S. 1570) to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that act to volunteers, and for other purposes:

#### CONFERENCE REPORT (H. REPT. 99-357)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1570) to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that Act to volunteers, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

#### SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) SHORT TITLE.—This Act may be cited as the "Fair Labor Standards Amendments of 1985".

(b) REFERENCE TO ACT.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Fair Labor Standards Act of 1938.

#### COMPENSATORY TIME

SEC. 2. (a) COMPENSATORY TIME.—Section 7 (29 U.S.C. 207) is amended by adding at the end the following:

"(c)(1) Employees of a public agency which is a State, a political subdivision of a State, or an interstate governmental agency may receive, in accordance with this subsection and in lieu of overtime compensation, compensatory time off at a rate not less than one and one-half hours for each hour of employment for which overtime compensation is required by this section.

"(2) A public agency may provide compensatory time under paragraph (1) only—

"(A) pursuant to—

"(i) applicable provisions of a collective bargaining agreement, memorandum of understanding, or any other agreement between the public agency and representatives of such employees; or

"(ii) in the case of employees not covered by subclause (i), an agreement or understanding arrived at between the employer and employee before the performance of the work; and

"(B) if the employee has not accrued compensatory time in excess of the limit applicable to the employee prescribed by paragraph (3).

In the case of employees described in clause (A)(ii) hired prior to April 15, 1986, the regular practice in effect on April 15, 1986, with respect to compensatory time off for such employees in lieu of the receipt of overtime compensation, shall constitute an agreement or understanding under such clause (A)(ii). Except as provided in the previous sentence, the provision of compensatory time off to such employees for hours worked after April 14, 1986, shall be in accordance with this subsection.

"(3)(A) If the work of an employee for which compensatory time may be provided included work in a public safety activity, an emergency response activity, or a seasonal activity, the employee engaged in such work may accrue not more than 480 hours of compensatory time for hours worked after April 15, 1986. If such work was any other work, the employee engaged in such work may accrue not more than 240 hours of compensatory time for hours worked after April 15, 1986. Any such employee who, after April 15, 1986, has accrued 480 or 240 hours, as the case may be, of compensatory time off shall, for additional overtime hours of work, be paid overtime compensation.

"(B) If compensation is paid to an employee for accrued compensatory time off, such compensation shall be paid at the regular rate earned by the employee at the time the employee receives such payment.

"(4) An employee who has accrued compensatory time off authorized to be provided under paragraph (1) shall, upon termination of employment, be paid for the unused compensatory time at a rate of compensation not less than—

"(A) the average regular rate received by such employee during the last 3 years of the employee's employment, or

"(B) the final regular rate received by such employee,

whichever is higher.

"(5) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency—

"(A) who has accrued compensatory time off authorized to be provided under paragraph (1), and

"(B) who has requested the use of such compensatory time,

shall be permitted by the employee's employer to use such time within a reasonable period after making the request if the use of the compensatory time does not unduly disrupt the operations of the public agency.

"(6) For purposes of this subsection—

"(A) the term 'overtime compensation' means the compensation required by subsection (a), and

"(B) the terms 'compensatory time' and 'compensatory time off' mean hours during which an employee is not working, which are not counted as hours worked during the

applicable workweek or other work period for purposes of overtime compensation, and for which the employee is compensated at the employee's regular rate."

(b) **EXISTING COLLECTIVE BARGAINING AGREEMENTS.**—A collective bargaining agreement which is in effect on April 15, 1986, and which permits compensatory time off in lieu of overtime compensation shall remain in effect until its expiration date unless otherwise modified, except that compensatory time shall be provided after April 14, 1986, in accordance with section 7(o) of the Fair Labor Standards Act of 1938 (as added by subsection (a)).

(c) **LIABILITY AND DEFERRED PAYMENT.**—(1) No State, political subdivision of a State, or interstate governmental agency shall be liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6 (in the case of a territory or possession of the United States), 7, or 11(c) (as it relates to section 7) of such Act occurring before April 15, 1986, with respect to any employee of the State, political subdivision, or agency who would not have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in sections 775.2 and 775.4 of title 29 of the Code of Federal Regulations.

(2) A State, political subdivision of a State, or interstate governmental agency may defer until August 1, 1986, the payment of monetary overtime compensation under section 7 of the Fair Labor Standards Act of 1938 for hours worked after April 14, 1986.

#### **SPECIAL DETAILS, OCCASIONAL OR SPORADIC EMPLOYMENT, AND SUBSTITUTION**

**SEC. 3. (a) SPECIAL DETAIL WORK FOR FIRE PROTECTION AND LAW ENFORCEMENT EMPLOYEES.**—Section 7 (29 U.S.C. 207) is amended by adding after subsection (c) (added by section 2) the following:

"(p)(1) If an individual who is employed by a State, political subdivision of a State, or an interstate governmental agency in fire protection or law enforcement activities (including activities of security personnel in correctional institutions) and who, solely at such individual's option, agrees to be employed on a special detail by a separate or independent employer in fire protection, law enforcement, or related activities, the hours such individual was employed by such separate and independent employer shall be excluded by the public agency employing such individual in the calculation of the hours for which the employee is entitled to overtime compensation under this section if the public agency—

"(A) requires that its employees engaged in fire protection, law enforcement, or security activities be hired by a separate and independent employer to perform the special detail,

"(B) facilitates the employment of such employees by a separate and independent employer, or

"(C) otherwise affects the condition of employment of such employees by a separate and independent employer."

(b) **OCCASIONAL OR SPORADIC EMPLOYMENT.**—Section 7(p) (29 U.S.C. 207), as added by subsection (a), is amended by adding at the end the following:

"(2) If an employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency undertakes, on an occasional or sporadic basis and solely at the employee's option, part-time employment for the public agency which is in a different capacity from any capacity in which the employee is regularly employed with the public agency, the hours

such employee was employed in performing the different employment shall be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section."

(c) **SUBSTITUTION.**—(1) Section 7(p) (29 U.S.C. 207), as amended by subsection (b), is amended by adding at the end the following:

"(3) If an individual who is employed in any capacity by a public agency which is a State, political subdivision of a State, or an interstate governmental agency, agrees, with the approval of the public agency and solely at the option of such individual, to substitute during scheduled work hours for another individual who is employed by such agency in the same capacity, the hours such employee worked as a substitute shall be excluded by the public agency in the calculation of the hours for which the employee is entitled to overtime compensation under this section."

(2) Section 11(c) (29 U.S.C. 211(c)) is amended by adding at the end the following: "The employer of an employee who performs substitute work described in section 7(p)(3) may not be required under this subsection to keep a record of the hours of the substitute work."

#### **VOLUNTEERS**

**SEC. 4. (a) DEFINITION.**—Section 3(e) (29 U.S.C. 203(e)) is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)", and

(2) by adding at the end the following:

"(4)(A) The term 'employee' does not include any individual who volunteers to perform services for a public agency which is a State, a political subdivision of a State, or an interstate governmental agency, if—

"(i) the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and

"(ii) such services are not the same type of services which the individual is employed to perform for such public agency.

"(B) An employee of a public agency which is a State, political subdivision of a State, or an interstate governmental agency may volunteer to perform services for any other State, political subdivision, or interstate governmental agency, including a State, political subdivision or agency with which the employing State, political subdivision, or agency has a mutual aid agreement."

(b) **REGULATIONS.**—Not later than March 15, 1986, the Secretary of Labor shall issue regulations to carry out paragraph (4) of section 3(e) (as amended by subsection (a) of this section).

(c) **CURRENT PRACTICE.**—If, before April 15, 1986, the practice of a public agency was to treat certain individuals as volunteers, such individuals shall until April 15, 1986, be considered, for purposes of the Fair Labor Standards Act of 1938, as volunteers and not as employees. No public agency which is a State, a political subdivision of a State, or an interstate governmental agency shall be liable for a violation of section 6 occurring before April 15, 1986, with respect to services deemed by that agency to have been performed for it by an individual on a voluntary basis.

#### **STATE AND LOCAL LEGISLATIVE EMPLOYEES**

**SEC. 5. Clause (ii) of section 3(e)(2)(C) (29 U.S.C. 203(e) (2)(C)) is amended—**

(1) by striking out "or" at the end of subclause (III),



- (2) by striking out "who" in subclause (IV),
- (3) by striking out the period at the end of subclause (IV) and inserting in lieu thereof "or", and
- (4) by adding after subclause (IV) the following:

"(V) is an employee in the legislative branch or legislative body of that State, political subdivision, or agency and is not employed by the legislative library of such State, political subdivision, or agency."

#### EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall take effect April 15, 1986. The Secretary of Labor shall before such date promulgate such regulations as may be required to implement such amendments.

#### EFFECT OF AMENDMENTS

SEC. 7. The amendments made by this Act shall not affect whether a public agency which is a State, political subdivision of a State, or an interstate governmental agency is liable under section 16 of the Fair Labor Standards Act of 1938 for a violation of section 6, 7, or 11 of such Act occurring before April 15, 1986, with respect to any employee of such public agency who would have been covered by such Act under the Secretary of Labor's special enforcement policy on January 1, 1985, and published in section 775.3 of title 29 of the Code of Federal Regulations.

#### DISCRIMINATION

SEC. 8. A public agency which is a State, political subdivision of a State, or an interstate governmental agency and which discriminates or has discriminated against an employee with respect to the employee's wages or other terms or conditions of employment because on or after February 19, 1985, the employee asserted coverage under section 7 of the Fair Labor Standards Act of 1938 shall be held to have violated section 15(a)(3) of such Act. The protection against discrimination afforded by the preceding sentence shall be available after August 1, 1986, only for an employee who takes an action described in section 15(a)(3) of such Act.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

AUGUSTUS F. HAWKINS,  
AUSTIN J. MURPHY,  
W.L. CLAY,  
PAT WILLIAMS,  
JAMES M. JEFFORDS,  
TOM PETRI,  
STEVE BARTLETT,

Managers on the Part of the House.

ORRIN G. HATCH,  
DON NICKLES,  
ROBERT T. STAFFORD,  
HOWARD M. METZENBAUM,  
EDWARD M. KENNEDY,

Managers on the Part of the Senate.

#### JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1570) to amend the Fair Labor Standards Act of 1938 to provide rules for overtime compensatory time off for certain public agency employees, to clarify the application of that Act to volunteers, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by

the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

#### PAYMENT FOR COMPENSATORY TIME UPON TERMINATION OF EMPLOYMENT

The Senate bill provides that upon termination of employment an employee shall be paid for unused compensatory time at the final regular rate received by such employee.

The House amendment provided that payment for unused compensatory time is to be at a rate not less than the average regular rate received by an employee during the last 3 years of the employee's employment.

The conference substitute combines the Senate and House provisions to provide that payment for unused compensatory time is to be at a rate not less than—

- (1) the average regular rate received by an employee during the last 3 years of the employee's employment, or
- (2) the final regular rate received by an employee, whichever is higher.

#### SCOPE OF SUBSTITUTE BILL

Under the Senate bill the rules for the treatment of hours of substitute employment apply to employees of a public agency engaged in the same activity.

Under the House amendment the rules for the treatment of hours of substitute employment apply only to employees engaged in fire protection or law enforcement activities (including activities of security personnel in correctional institutions).

The conference substitute is the same as the Senate bill.

#### COMPENSATORY TIME LIMIT

Under the Senate bill an employee may not accrue more than 480 hours of compensatory time.

Under the House amendment if the work of an employee included work in a public safety activity, an emergency response activity, or a seasonal activity the employee may accrue not more than 480 hours of compensatory time. An employee engaged in any other work may accrue not more than 180 hours of compensatory time.

The conference substitute provides that if the work of an employee included work in a public safety activity, an emergency response activity, or a seasonal activity the employee may accrue not more than 480 hours of compensatory time. An employee engaged in any other work may accrue not more than 240 hours of compensatory time.

#### SCOPE OF PROTECTION AGAINST DISCRIMINATION

The Senate bill prohibits discrimination as defined by section 15(a)(3) of the Fair Labor Standards Act of 1938.

The House amendment prohibits discrimination with respect to wages or other terms or conditions of employment.

The conference substitute adopts the House amendment with the following understandings as to the scope of protection provided by the House amendment:

The antidiscrimination provision is meant to apply where one or more employees are singled out for adverse treatment in retaliation for an assertion that they are covered by the overtime provisions of the FLSA. The provision also is intended to apply where an employer's response to the assertion of FLSA coverage is to reduce wages or other monetary benefits for an entire unit of employees. In either instance, the actual victims of discrimination must show that coverage was asserted and they also must show actual discrimination, i.e., that the employer's action constituted retaliation for the employee or employees' assertion of coverage and avoidance of the asserted protections of Federal law. If a court so finds, that conduct would be unlawful under section 8.

An employer's adjustment of work schedules to reduce overtime hours would not constitute discrimination under this provision so long as it was not undertaken to retaliate for an assertion of coverage. Such an adjustment is permissible under the Act but it does not supersede applicable requirements of State law or a collective bargaining agreement.

An employer who, after February 19, 1985, paid cash overtime at a time and one-half rate pursuant to the FLSA may not recoup these overtime payments from his employees by whatever means without violating section 8. State and local government employers are in no way obligated to comply with the Act's overtime provisions prior to April 15, 1986. But as stated in both Committee reports, nothing in this legislation, particularly the deferred effective date, is intended to encourage employers to postpone efforts to comply with the Act. Permitting employers who have voluntarily complied prior to April 1986 to negate their past compliance effort at some future date by recapturing from their employees payments already made would have precisely the effect that we intended to foreclose. Such permission also would allow unscrupulous employers to use the threat of recoupment to pressure or otherwise manipulate employees. Section 8 was meant to prohibit such retributive action.

A unilateral reduction of regular pay or fringe benefits that is intended to nullify this legislative application of overtime compensation to State and local government employees is unlawful. Any other conclusion would in effect invite public employers to reduce regular rates of pay shortly after the date of enactment so as to negate the premium compensation mandated by this legislation. The compensatory time and deferred effective date provision of these amendments are to relieve the economic impact of having to comply with the FLSA's premium rate requirements for overtime. Having provided for this relief, we agreed to preserve the same premium rate requirement that has been a part of the FLSA for nearly 50 years. We did not, at the same time, authorize employers to undermine that premium rate with impunity. In what we view as analogous circumstances, DOL regulations explicitly condemn employer efforts to adjust or recalculate regular rates of pay so as to evade the overtime requirements of the Act. (29 CFR 778.500).

This provision is not intended to prohibit State or local government employers from adjusting rates of pay at some later point in response to fiscal concerns not directly attributable to the impact of extending FLSA coverage to their employees.

This provision is intended to remain neutral with respect to any action by employees

challenging the lawfulness of an employer's unilateral reduction of regular pay or fringe benefits instituted prior to enactment of these amendments.

#### TIME LIMIT ON PROTECTION AGAINST DISCRIMINATION

Section 8 of the Senate bill limits the protection against discrimination to the period February 19, 1985, through April 15, 1986.

Under section 8 of the House amendment the protection against discrimination is limited to on or after February 19, 1985.

The conference substitute is the same as the House amendment with one modification. After August 1, 1986, an employee must assert coverage pursuant to section 15(a)(3) of the Act in order to be entitled to the protection against discrimination provided by the House amendment.

#### LIABILITY OF TERRITORIES AND POSSESSIONS FOR VIOLATIONS OF SECTION 6

Under the Senate bill and the House amendment public agencies are shielded from liability for violations of section 7 of the FLSA which occur before the effective date, April 15, 1986. The conference substitute provides the same shield with regard to violations of section 6 of the FLSA for territories and possessions of the United States.

AUGUSTUS F. HAWKINS,  
AUSTIN J. MURPHY,  
W.L. CLAY,  
PAT WILLIAMS,  
JAMES M. JEFFORDS,  
TOM PETRI,  
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*Managers on the Part of the House.*

ORRIN G. HATCH,  
DON NICKLES,  
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HOWARD M. METZENBAUM,  
EDWARD M. KENNEDY,

*Managers on the Part of the Senate.*

#### LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have taken this time for the purpose of inquiring of the distinguished minority leader as to the program for the balance of the day and the program for next week.

Mr. WRIGHT. If my distinguished friend from Illinois, the minority leader, would yield to me.

Mr. MICHEL. I am happy to yield to the distinguished majority leader, the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, this would complete our legislative schedule for the day and week.

Monday, we would meet at noon. We hope not to have votes on Monday, but I think Members should be advised it may be necessary for them to be present on Monday in order that we may take up votes at that time.

The only vote that would require our having a recorded vote would be in the event the other body might have acted upon one of the bills just passed and amended it and sent it back to us.

In that case, Members should be advised that it would be in order for a motion to be made to agree to that

amendment or to agree to that amendment with an amendment.

Mr. Speaker, I do not think any Member would want to be absent if that were to occur.

Therefore, all I can do, in candor, is suggest that the Members should plan to be here Monday at noon. It would be our purpose, if there is no motion of that type from the other body, to proceed in order.

We would take up the suspensions. There are three of them listed: House Joint Resolution 36, Memorial to Women Who Served In or With the Armed Services; House Joint Resolution 142, Memorial Honoring Certain Black Americans in the American Revolution; and H.R. 2055, Korean War Memorial.

□ 1725

We would postpone those votes until either Tuesday or Wednesday.

We had hoped not to have votes prior to 2 o'clock on Tuesday in order to facilitate the convenience of Members whose States have primaries on next Tuesday.

Once again, I must advise Members that they ought to follow what is happening. You will read about it in the newspaper if the other body should pass our legislation on the debt ceiling extension in a form that would require our acting on it Monday or Tuesday. In any event, on Tuesday we would want to adopt the rule and do the general debate on the Water Resources Act of 1985, and for the remainder of the week, Wednesday, Thursday, and Friday, if necessary, we would take up the Water Resources Act and complete its consideration.

That would be the only business we have scheduled for next week except, of course, that conference reports may be considered at any time, and this program will be subject to change.

Mr. MICHEL. Mr. Speaker, Let me hypothesize for a moment.

If the other body, which I understand just a few moments ago began debating the conference report on the measure earlier today, fails to come to any agreement today, but maybe conceivably by Monday decided, as they are going to be in session Monday, I understand, probably not tomorrow, but on Monday, and if they were to conclude action, again not accepting our position but sending it back to us, then what would be the scenario for this body? Would we delay? Would there be an automatic delay until Wednesday, in view of what the gentleman has said about election day on Tuesday?

Mr. WRIGHT. It is my understanding that it would be subject to an automatic delay of that kind only by the general consent of the minority and the majority. Otherwise it would be subject to a motion to concur in the Senate amendment or to concur in the

Senate amendment with an amendment, and that is a highly privileged motion. Of course, I would not want to say unilaterally to the gentleman from Illinois that the majority would prevent the bill's coming to the desk.

Mr. MICHEL. I understand.

I notice on the whip notice here that Members are advised to expect further possible action on debt limit legislation today—now, this may have been written earlier in the day, before we just took the action here—on both Monday and Tuesday. Is there something written in here that I really do not understand or perceive?

Mr. WRIGHT. Well, there may be. If so, it is something I do not perceive either. I guess we ought to amend that statement just to say that Members are advised to expect further possible action on the debt limit legislation whenever it is returned to us by the other body. It could be Monday, Tuesday, or Wednesday. Of course, the gentleman is familiar with the various scenarios. I presume that the other body is going to accept our short-term extension. If they do not, then they will unilaterally have decided to disinvest the Social Security Trust Funds. If they do or do not, they may or may not return our legislation with our amendment upon the Gramm-Rudman package approved. If they disapprove that and amend it, then we would have to vote upon their amendment one way or another. If they called for a conference, then the Chair would appoint conferees.

Mr. MICHEL. Is it the intention of the majority leader to move to adjourn when we have concluded our exchange or whenever the legislative business is concluded today?

Mr. WRIGHT. It is.

#### DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### ADJOURNMENT TO MONDAY, NOVEMBER 4, 1985

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, would it be the intention of the leadership on both sides to keep the recording machine that we all rely on when we call



in up-to-date on the weekend so that if we call in on that number, we can find out? That might require staff to be here that would not normally be here.

Mr. WRIGHT. If the gentleman will yield, I thank my friend from Kentucky for a very splendid idea. I can speak for the recorders on our side of the aisle. Yes; we will undertake to do that. I feel reasonably sure that the minority leader and those in the Republican cloakroom also would be pleased to keep Members advised.

Mr. SNYDER. It would probably be necessary to only have one of them operating. But I think it would be helpful.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LOTT) to revise and extend their remarks and include extraneous material:)

Mr. DELAY, for 60 minutes, today.

Mr. SAXTON, for 5 minutes, today.

Mr. WALKER, for 60 minutes, today.

Mr. GINGRICH, for 60 minutes, today.

(The following Members (at the request of Mr. MICA) to revise and extend their remarks and include extraneous material:)

Mr. WEISS, for 5 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NEAL, for 10 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LOTT) and to include extraneous matter:)

Mr. CONTE.

Mr. GALLO.

Mr. WORTLEY.

Mr. MCCOLLUM.

Mr. SPENCE.

Mr. PARRIS.

Mr. VANDER JAGT.

Mr. SAXTON.

Mr. GRADISON.

Mrs. MARTIN of Illinois.

Mr. LAGOMARSINO.

Mr. QUILLEN.

Mr. GROTEBERG.

Mr. DORNAN of California.

(The following Members (at the request of Mr. MICA) and to include extraneous matter:)

Mr. SHELBY.

Mr. GARCIA in four instances.

Mr. MRAZEK.

Mr. LAFALCE.

Mr. TRAFICANT.

Mr. STARK.

Mr. DYSON.

Mr. MAZZOLI.

Mr. GAYDOS in three instances.

Mr. WEISS.

Mr. FLORIO in two instances.

Mr. HUBBARD.

Mr. KANJORSKI.

Mr. RANGEL.

Mr. GUARINI.

#### ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1903. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Chippewas of Lake Superior in Dockets Numbered 18-8, 18-U, 18-C, and 18-T before the Indian Claims Commission, and for other purposes.

#### SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 145. Joint resolution designating November 1985 as "National Diabetes Month."

#### ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. WRIGHT].

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. LOTT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 207, nays 194, not voting 33, as follows:

[Roll No. 390]

#### YEAS—207

Ackerman  
Akaka  
Alexander  
Andrews  
Annunzio  
Anthony  
Aspin  
Atkins  
Barnard  
Bates  
Bedell  
Bellenson  
Bennett  
Berman  
Bevill  
Biaggi  
Boggs  
Boland  
Bonior (MI)

Bonker  
Boraki  
Bosco  
Boucher  
Boxer  
Brooks  
Brown (CA)  
Bruce  
Bryant  
Burton (CA)  
Bustamante  
Byron  
Carper  
Carr  
Chapman  
Clay  
Coelho  
Coleman (TX)  
Collins

Cooper  
Coyne  
Crockett  
Daniel  
Darden  
Daschle  
Dellums  
Dicks  
Dingell  
Dixon  
Donnelly  
Dorgan (ND)  
Dowdy  
Downey  
Durbin  
Dwyer  
Dymally  
Dyson  
Early

Eckart (OH)  
Edwards (CA)  
Evans (IL)  
Fasell  
Fazio  
Feighan  
Flippo  
Foglietta  
Foley  
Ford (MI)  
Ford (TN)  
Frank  
Frost  
Fuqua  
Garcia  
Gaydos  
Gedensson  
Gephardt  
Glickman  
Gonzalez  
Gordon  
Gray (IL)  
Gray (PA)  
Guarini  
Hall (OH)  
Hall, Ralph  
Hawkins  
Hayes  
Hefner  
Heftel  
Hertel  
Howard  
Hoyer  
Hughes  
Jacobs  
Jenkins  
Jones (NC)  
Kanjorski  
Kaptur  
Kastenmeier  
Kennelly  
Kildee  
Kleczka  
Kolter  
Kostmayer  
LaFalce  
Lantos  
Leath (TX)  
Lehman (CA)  
Lehman (FL)

Leland  
Levin (MI)  
Lipinski  
Long  
Lowry (WA)  
Luken  
MacKay  
Manton  
Markay  
Martinez  
Matsul  
Mavroules  
Mazzoli  
McCloskey  
McCurdy  
McHugh  
Mica  
Mikulski  
Miller (CA)  
Mineta  
Mitchell  
Moakley  
Mollohan  
Montgomery  
Moody  
Mrázek  
Murphy  
Murtha  
Natcher  
Nichols  
Nowak  
O'Brien  
Oaker  
Oberstar  
Obey  
Olin  
Ortiz  
Owens  
Panetta  
Penny  
Pepper  
Perkins  
Pickle  
Price  
Rahall  
Rangel  
Reid  
Richardson  
Robinson  
Rodino

Roe  
Rose  
Rostenkowski  
Rowland (GA)  
Roybal  
Russo  
Sabo  
Scheuer  
Schulze  
Schumer  
Sharp  
Sikorski  
Siskisky  
Skelton  
Slattery  
Smith (FL)  
Smith (IA)  
Solari  
Spratt  
St Germain  
Staggers  
Stenholm  
Stratton  
Studds  
Swift  
Synar  
Tallon  
Thomas (GA)  
Torres  
Torricelli  
Towns  
Udall  
Valentine  
Vento  
Visclosky  
Volkmmer  
Walgren  
Waxman  
Weaver  
Weiss  
Wheat  
Whitten  
Williams  
Wilson  
Wolpe  
Wright  
Wyden  
Yates  
Yatron  
Young (MO)

#### NAYS—194

Anderson  
Applegate  
Archer  
Armey  
AuCoin  
Bartlett  
Barton  
Bateman  
Bentley  
Bereuter  
Billrakis  
Billey  
Boehlert  
Boner (TN)  
Boulter  
Breaux  
Broomfield  
Brown (CO)  
Broyhill  
Burton (IN)  
Callahan  
Campbell  
Carney  
Chappell  
Chapple  
Cheney  
Clinger  
Coats  
Cobey  
Coble  
Coleman (MO)  
Combest  
Conte  
Coughlin  
Courtner  
Craig  
Crane  
Dannemeyer  
Daub  
Davis  
DeLay  
Derrick  
DeWine

Dickinson  
DioGuardi  
Dreier  
Duncan  
Edwards (OK)  
Emerson  
English  
Erdreich  
Evans (IA)  
Fawell  
Fiedler  
Fields  
Fish  
Frenzel  
Gallo  
Gekas  
Gibbons  
Gilman  
Gingrich  
Goodling  
Gradison  
Green  
Gregg  
Grotberg  
Gunderson  
Hamilton  
Hammerschmidt  
Hendon  
Henry  
Hiller  
Hillis  
Hopkins  
Horton  
Hubbard  
Huckaby  
Hunter  
Hutto  
Hyde  
Ireland  
Jeffords  
Johnson  
Jones (OK)  
Jones (TN)

Kasich  
Kemp  
Kindness  
Kolbe  
Kramer  
Lagomarsino  
Latta  
Leach (IA)  
Lent  
Lewis (CA)  
Lewis (FL)  
Lightfoot  
Livingston  
Lloyd  
Loeffler  
Lott  
Lowery (CA)  
Lujan  
Lungren  
Mack  
Martin (NY)  
McCain  
McCandless  
McCollum  
McDade  
McGrath  
McKernan  
McKinney  
McMillan  
Meyers  
Michel  
Miller (OH)  
Miller (WA)  
Molinar  
Monson  
Moore  
Moorhead  
Morrison (WA)  
Myers  
Nelson  
Nelson  
Oxley  
Packard

Parris	Shaw	Sundquist
Pashayan	Shelby	Sweeney
Petri	Shumway	Swindall
Porter	Shuster	Tauke
Pursell	Siljander	Tauzin
Quillen	Skeen	Taylor
Ray	Slaughter	Thomas (CA)
Regula	Smith (NE)	Traficant
Rinaldo	Smith (NJ)	Vander Jagt
Ritter	Smith, Denny	Vucanovich
Roberts	(OR)	Walker
Roemer	Smith, Robert	Watkins
Rogers	(NH)	Weber
Roth	Smith, Robert	Whittaker
Roukema	(OR)	Wirth
Rowland (CT)	Snowe	Wise
Rudd	Snyder	Wolf
Saxton	Solomon	Wortley
Schaefer	Spence	Wylie
Schneider	Stallings	Young (AK)
Schroeder	Stangeland	Young (FL)
Schuette	Strang	Zschau
Sensenbrenner	Stump	

## NOT VOTING—33

Addabbo	Franklin	Morrison (CT)
Badham	Hansen	Neal
Barnes	Hartnett	Pease
Chandler	Hatcher	Ridge
Conyers	Holt	Savage
de la Garza	Levine (CA)	Seiberling
Dornan (CA)	Lundine	Stark
Eckert (NY)	Madigan	Stokes
Edgar	Marlenee	Traxler
Florio	Martin (IL)	Whitehurst
Fowler	McEwen	Whitley

□ 1740

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly (at 5 o'clock and 47 minutes p.m.) under its previous order, the House adjourned until Monday, November 4, 1985, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2203. A communication from the President of the United States, transmitting an amendment to the request for fiscal 1986 appropriations for the Department of Commerce, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-228); to the Committee on Appropriations and ordered to be printed.

2204. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 6-98, "Fiscal Year 1986 Follow Through Act of 1985," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

2205. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Army's proposed Letter of Offer to Egypt for defense articles and services, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2206. A letter from the Director, Defense Security Assistance Agency, transmitting notice of Department of the Air Force's proposed Letter of Offer to Switzerland for defense articles, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2207. A letter from the Chief Immigration Judge, Executive Office for Immigration Review, Department of Justice, transmitting notice of suspension of deportation of certain aliens of good character and with required residency when deportation causes hardship under section 244(a), Immigration

and Nationality Act, pursuant to 8 U.S.C. 1254(c); to the Committee on the Judiciary.

2208. A letter from the Acting Fiscal Assistant Secretary, Department of the Treasury, transmitting a report on amounts actually deposited in the Panama Canal Commission Fund during fiscal year 1985, pursuant to 22 U.S.C. 3712(c)(2); to the Committee on Merchant Marine and Fisheries.

2209. A letter from the Acting Fiscal Assistant Secretary, Department of the Treasury, transmitting the final monthly treasury statement of receipts and outlays of the U.S. Government for fiscal year 1985, pursuant to 31 U.S.C. 331(c); to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee of conference. Conference report on House Joint Resolution 372 in disagreement (Rept. 99-351). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. H. Res. 305. A resolution providing for the consideration of H.R. 6, a bill to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure (Rept. 99-352). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. H. Res. 306. A resolution providing for the consideration of H.R. 3669, a bill to prevent the disinvestment of the Social Security Trust Funds and other trust funds (Rept. 99-353). Referred to the House Calendar.

Mr. BROOKS: Committee on Government Operations. Identification of friend or foe in air warfare—a capability long neglected and urgently needed (Rept. 99-354). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Air Force is spending over \$1 billion in poorly tested and duplicative Radar Jammer Program (Rept. 99-355). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. DOD spare parts pricing abuses at the naval air station, Miramar, CA (Rept. 99-356). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee of conference. Conference report on S. 1570 (Rept. 99-357). Ordered to be printed.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROSTENKOWSKI (for himself, and Mr. CHAPMAN):

H.R. 3669. A bill to prevent the disinvestment of the Social Security Trust Funds and other trust funds; to the Committee on Ways and Means.

By Mr. HOWARD (for himself, Mr. ROE, Mr. SNYDER, Mr. STANGELAND, and Mr. ANDERSON):

H.R. 3670. A bill to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure; jointly, to the Committees on Public Works and Transportation, and Ways and Means.

By Mr. FAUNTROY (for himself, Mr. DELLUMS, Mr. MCKINNEY, and Mr. BAILEY):

H.R. 3671. A bill to waive the period of Congressional review for certain District of Columbia acts and bills authorizing the issuance of revenue bonds; to the Committee on the District of Columbia.

By Mr. BATEMAN:

H.R. 3672. A bill to amend the Internal Revenue Code of 1954 to provide a special valuation of certified historic structures for estate tax purposes, and to provide an extension of time to pay estate taxes where the estate consists largely of a certified historic structure; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 3673. A bill to amend the Immigration and Nationality Act with respect to the liability of owners and operators of international bridges and toll roads to prevent the unauthorized landing of aliens; to the Committee on the Judiciary.

By Mr. EVANS of Iowa:

H.R. 3674. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to require that, in the case of participants meeting certain minimum requirements as of the date of termination of the plan, early retirement pension benefits under the plan shall be guaranteed by the Pension Benefit Guaranty Corporation and shall commence no later than as specified in applicable plan provisions; to the Committee on Education and Labor.

By Mr. REGULA:

H.R. 3675. A bill to amend title X of the Congressional Budget and Impoundment Control Act of 1974 to provide the President with a modified authority to rescind or reserve budget authority while preserving congressional control over the budget process; jointly, to the Committees on Government Operations, and Rules.

By Mr. SHUMWAY (for himself, Mr. LOWRY of Washington, Mr. FIELDS,

Mr. CALLAHAN, Mr. FRANKLIN, and Mr. TAUZIN):

H.R. 3676. A bill to amend Section 912 of the Internal Revenue Code of 1954 to exempt from gross income the value of certain Panama Canal Treaty allowances; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 3677. A bill to amend the Clean Air Act to protect against interstate transport of pollutants, to control existing and new sources of acid deposition, and for other purposes; to the Committee on Energy and Commerce.

By Mr. STUDDS (for himself, Mr. DAVIS, Mr. LENT, and Mr. BIAGGI):

H.R. 3678. A bill to require the licensing of operators of vessels that tow disabled vessels for consideration; to the Committee on Merchant Marine and Fisheries.

By Mr. BURTON of Indiana (for himself and Mr. SILJANDER):

H.J. Res. 439. Joint resolution to designate the year 1986 to be "The Centennial Year of the Gasoline Powered Automobile"; to the Committee on Post Office and Civil Service.

By Mr. BIAGGI (for himself, Mr. DWYER of New Jersey, Mr. HORTON, Mr. NATCHER, Mr. DASCHLE, Mr. MCKERNAN, Mr. DAUB, Mr. ROE, Mr.



VOLKMER, Mr. O'BRIEN, Mr. SABO, Mr. MARTINEZ, Mr. BERMAN, Mr. TRAFICANT, Mr. LAGOMARSINO, Mr. LEWIS of California, Mrs. BURTON of California, Mr. WORTLEY, Mr. DE LA GARZA, Mr. EMERSON, Mr. RAHALL, Mr. WALGREN, Mr. FAWELL, Mr. REID, Mr. BORSKI, Mr. KOLTER, Mr. OWENS, Mr. WEISS, Mr. DYMALLY, Mr. MRAZEK, Mr. PERKINS, Mrs. BOXER, Mr. KILDEE, Mr. GINGRICH, Mr. WILSON, Mr. HAYES, Mr. ROWLAND of Georgia, Mr. CONTE, and Mr. LaFALCE).

H.J. Res. 440. Joint resolution to designate the week of December 1, 1985, through December 7, 1985, as "National Autism Week"; to the Committee on Post Office and Civil Service.

By Mr. SMITH of New Jersey:

H. Con. Res. 226. Concurrent resolution expressing the sense of the Congress regarding the jamming of western radio broadcasts by the Soviet Union, Bulgaria, Czechoslovakia, and Poland; to the Committee on Foreign Affairs.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARPER:

H.R. 3679. A bill for the relief of the estate of John F. Schaefer; to the Committee on Judiciary.

By Mr. FRANK:

H.R. 3680. A bill for the relief of Barbara Killion Applegate; to the Committee on Judiciary.

### ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 44: Mr. GINGRICH.  
H.R. 313: Mr. RICHARDSON.  
H.R. 585: Mr. ALEXANDER and Mr. RINALDO.  
H.R. 932: Mr. MOLLOHAN.  
H.R. 1030: Mr. ATKINS, Mr. DONNELLY, Mr. LaFALCE, and Mr. OBEY.  
H.R. 1050: Mr. KANJORSKI.  
H.R. 1089: Mr. HOWARD, Mr. SAVAGE, Mr. BOUCHER, and Mr. MARKEY.  
H.R. 1099: Mr. BURTON of Indiana.  
H.R. 1326: Mr. BATES.  
H.R. 1615: Mr. ARMEY and Mr. COLEMAN of Missouri.  
H.R. 1666: Mr. REID.  
H.R. 1704: Mrs. VUCANOVICH.  
H.R. 1840: Mr. GRAY of Illinois, Mr. ROBERTS, Mr. SUNIA, and Mr. BEREUTER.  
H.R. 1894: Mr. BURTON of Indiana.  
H.R. 1977: Mr. SUNIA.  
H.R. 2157: Mr. HILER, Mr. SHELBY, Mr. LIGHTFOOT, and Mr. FIELDS.  
H.R. 2295: Mr. LaFALCE and Mr. TALLON.  
H.R. 2325: Mr. ROBERTS.  
H.R. 2603: Mr. WEISS, Mr. ECKART of Ohio, and Mr. MARTINEZ.  
H.R. 2679: Mr. MORRISON of Washington.  
H.R. 2833: Ms. MIKULSKI, Mr. CLINGER, Mr. MATSUI, Mr. SUNIA, and Mr. MCKINNEY.  
H.R. 2854: Mrs. KENNELLY.  
H.R. 2943: Mr. RAHALL, Mr. MANTON, Mr. ARMEY, Mr. LUNGREN, Mr. BATES, and Mr. GINGRICH.

H.R. 3035: Mr. YATRON.

H.R. 3232: Mr. DANNEMEYER, Mr. BURTON of Indiana, Mr. EDWARDS of Oklahoma, and Mr. KOLTER.

H.R. 3263: Mr. CARR.

H.R. 3296: Mr. BOEHLERT and Mr. CARPER.

H.R. 3305: Mr. ACKERMAN, Mr. COELHO, Mr. TOWNS, Mr. NIELSON of Utah, and Mr. WEISS.

H.R. 3438: Mr. CLINGER and Mr. BUSTAMANTE.

H.R. 3439: Mr. CONYERS and Mr. DUNCAN.

H.R. 3486: Mr. WHITEHURST and Mr. HUGHES.

H.R. 3487: Mr. MURPHY, Mr. CONYERS, and Mr. MARTINEZ.

H.R. 3510: Mr. LUNDINE, Mr. FORD of Tennessee, Mr. TAUZIN, Mr. GOODLING, and Mr. ANDERSON.

H.R. 3512: Mr. SUNIA.

H.R. 3520: Mr. PACKARD, Mr. SMITH of New Jersey, Mr. STUMP, Mr. WHITEHURST, and Mr. WHITTAKER.

H.R. 3521: Mr. HARTNETT, Mr. BREAUX, Mr. VOLKMER, and Ms. KAPTUR.

H.R. 3522: Mr. WALKER.

H.R. 3553: Mr. LAGOMARSINO and Mr. GINGRICH.

H.R. 3557: Mr. GINGRICH and Mr. LEACH of Iowa.

H.R. 3567: Mr. BARNARD, Mr. HUGHES, and Mr. WHITEHURST.

H.R. 3609: Mr. STRATTON, Mr. DORNAN of California, Mr. LIVINGSTON, Mr. BURTON of Indiana, Mr. COBEY, Mr. WALKER, Mr. WEBER, Mr. MONSON, Mr. SMITH of New Hampshire, Mrs. VUCANOVICH, Mr. ARMEY, Mr. GINGRICH, Mr. COURTER, Mr. NIELSON of Utah, Mr. EMERSON, Mr. BARTON of Texas, Mr. SWINDALL, Mr. DAUB, Mr. BILEY, Mr. RUDD, Mr. BOULTER, Mr. KEMP, Mr. IRELAND, Mr. RITTER, Mr. CRANE, Mr. BILIRAKIS, Mr. HUNTER, Mr. WHITTAKER, Mr. DREIER of California, Mr. SOLOMON, Mr. LOWERY of California, Mr. PORTER, Mr. DICKINSON, Mr. YOUNG of Florida, Mr. MCCOLLUM, Mr. LUNGREN, Mr. ROTH, Mr. BLAZ, Mr. DELAY, and Mr. MONTGOMERY.

H.R. 3626: Mr. PORTER, Mr. GINGRICH, and Mr. VALENTINE.

H.J. Res. 101: Mr. PORTER, Mr. JEFFORDS, Mr. BONER of Tennessee, Mr. MOORHEAD, Mrs. BENTLEY, Mr. GINGRICH, and Mr. HAYES.

H.J. Res. 127: Mr. COATS, Mr. KLECZKA, Mr. REGULA, Mr. DE LA GARZA, Mr. RAHALL, Mr. CARNEY, Mr. HOWARD, Mr. ROGERS, Mr. HYDE, Mr. ATKINS, Ms. KAPTUR, Mr. HUGHES, Mr. COYNE, Mr. DYSON, Mr. BORSKI, Mr. HAYES, Mr. HOYER, Mr. JACOBS, Mr. KANJORSKI, Mr. KASICH, Mr. KEMP, Mr. LANTOS, Mr. LEWIS of California, Mr. SCHEUER, Mr. SPRATT, Mr. TALLON, Mr. SWINDALL, Mr. TAUKE, Mr. TAUZIN, and Mr. TRAXLER.

H.J. Res. 133: Mr. GREEN, Ms. SNOWE, and Mr. CLINGER.

H.J. Res. 298: Mr. DELLUMS, Mr. DONNELLY, Mr. FOLEY, Mr. GROTEBERG, Mr. HOYER, Mr. KILDEE, Mr. KOSTMAYER, Mr. LATTI, Mr. LOWRY of Washington, Mr. MILLER of Washington, Mr. MOAKLEY, Mr. MORRISON of Washington, Mr. ROBERTS, Mr. SABO, Mr. STUMP, Mr. TAUZIN, and Mr. TRAFICANT.

H.J. Res. 333: Mr. LOWERY of California, Mr. MCCAIN, Mrs. ROUKEMA, Mr. SCHAEFER, Mr. IRELAND, Mr. MOORHEAD, Mr. SOLOMON, Mr. TAUKE, Mr. GILMAN, Mr. RITTER, Mr. HENRY, Mr. WALKER, Mr. WOLPE, Mr. DUNCAN, Mr. McGRATH, Mr. PORTER, Mr. LEWIS of California, Mr. GINGRICH, Mr. PACKARD, Mr. REGULA, Mr. HAMMERSCHMIDT, Mr. WHITLEY, Mr. BILIRAKIS, Mr. MCCOL-

LUM, Mr. PETRI, Mr. PURSELL, Mr. NIELSON of Utah, Mr. SHAW, Ms. SNOWE, Mr. HYDE, Mr. WOLF, Mr. DiOGUARDI, Mr. LENT, Mrs. HOLT, Mr. LOEFFLER, Mr. DELAY, Mr. THOMAS of California, Mr. EARLY, Mr. McCANDLESS, Mr. ORTIZ, Mr. FOLEY, Mr. SOLARZ, Mr. ANTHONY, Mr. STALLINGS, Mr. ANDERSON, Mr. WEBER, Mr. LIGHTFOOT, Mr. SPRATT, Mr. AKAKA, Mr. LANTOS, Mr. HEFNER, Mr. BENNETT, Mr. EVANS of Illinois, Mrs. MEYERS of Kansas, Mr. COATS, Mr. WILSON, Mr. CLAY, Mr. HEFTTEL of Hawaii, Mr. O'BRIEN, Mr. RUSSO, Mr. BARNES, Mr. RICHARDSON, Mr. BURTON of Indiana, Mr. GONZALEZ, Mr. RANGEL, Mr. NEAL, Mr. FUQUA, Mr. STOKES, Mr. BIAGGI, Mr. DORNAN of California, Mr. HOPKINS, Mr. CONTE, Mr. GREGG, Mr. KEMP, Mr. BLAZ, Mr. MACK, Mr. McDADE, Mr. RUDD, Mr. BUSTAMANTE, Mr. SLAUGHTER, Mr. BONIOR of Michigan, Mr. DYMALLY, Mr. FIELDS, Mr. BILEY, Mr. CHENEY, Mr. DIXON, Mr. JONES of Tennessee, Mr. LEHMAN of California, Mr. MARTIN, of New York, Mr. MOODY, Mr. BOLAND, Mr. BARTLETT, Mr. STARK, Ms. OAKAR, Mr. PRICE, and Mr. LIPINSKI.

H.J. Res. 347: Mr. WEISS, Mr. FRENZEL, Mr. WOLPE, Mr. SUNIA, Mr. BONER of Tennessee, Mr. BERMAN, Mr. ADDABO, Mr. SHAW, Mr. AKAKA, Mr. HALL of Ohio, Mr. STENHOLM, Mr. CLINGER, Mr. LEWIS of California, Mr. WRIGHT, Mr. CALLAHAN, Mr. RODINO, Mr. CARPER, Mr. MICHEL, Mrs. JOHNSON, Mr. BOSCO, Mrs. KENNELLY, Mr. FRANK, Mr. DARDEN, Mr. CLAY, Mr. FOLEY, Mr. CONYERS, Mr. GALLO, Mr. WALGREN, Mr. BRYANT, Mr. FAUNTROY, and Mr. FOWLER.

H.J. Res. 364: Mr. HORTON, Mr. TOWNS, Mr. GINGRICH, Mr. BONER of Tennessee, Mr. WOLF, Mr. DAUB, Mr. WEISS, Mr. O'BRIEN, Mr. BERMAN, and Mr. SUNIA.

H. Con. Res. 117: Mr. DAUB.

H. Con. Res. 173: Mr. MITCHELL, Mr. COATS, Mr. CROCKETT, Mrs. COLLINS, Mr. DWYER of New Jersey, Mr. ROWLAND of Connecticut, Mr. COURTER, Mr. EDWARDS of Oklahoma, Mr. BILIRAKIS, and Mr. SUNIA.

H. Con. Res. 197: Mr. DASCHLE and Mr. SCHAEFER.

H. Con. Res. 204: Mr. MRAZEK, Mr. UDALL, Mr. VOLKMER, and Mr. SMITH of Florida.

H. Con. Res. 205: Mr. MRAZEK, Mr. UDALL, Mr. VOLKMER, and Mr. SMITH of Florida.

H. Con. Res. 206: Mr. MRAZEK, Mr. UDALL, Mr. VOLKMER, and Mr. SMITH of Florida.

H. Con. Res. 213: Mr. ATKINS, Mr. ROBINSON, and Mr. VENTO.

H. Res. 164: Mr. YOUNG of Florida.

H. Res. 264: Mr. LIGHTFOOT, Mr. WEBER, Mr. ROEMER, Mr. DAUB, Mr. DYSON, Mr. THOMAS of Georgia, Mr. MITCHELL, Mr. SWIFT, and Mr. CHAPMAN.

H. Res. 268: Mr. DEWINE, Mr. EMERSON, Mr. DREIER of California, and Mr. GUARINI.

H. Res. 273: Mr. ORTIZ and Mr. COLEMAN of Texas.

### AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 6

By Mr. DAVIS:

—In Section 608, after the word "Canada," strike "in response to" and insert in lieu thereof "since".